CHARTER REVIEW COMMISSION
AGENDA

Charter Review Commission- Wednesday, October 18, 2017 - 4:00 p.m.
City Hall - Second Floor Conference Room, 100 North U.S. #1, Fort Pierce, Florida

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **MINUTES**

   a. Approval of Minutes from the September 27, 2017 meeting.

4. **OLD BUSINESS**

   a. Background Minutes & Transfer Formula

   b. Other information deemed valuable.

   c. Identify all FPUA and City of Fort Pierce Revenue Streams

5. **NEW BUSINESS**

   a. Preparation of Agenda for Public Input Meeting on October 24, 2017 at 6:30 p.m.

6. **PUBLIC COMMENTS (3 minutes per person)**

7. **ADJOURNMENT**

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the City Clerk's Office at (772) 467-3065 at least 48 hours prior to the meeting.

Charter Review Commission **3.a.**

Meeting Date: 10/18/2017

Re:

SUBJECT:

Approval of Minutes from the September 27, 2017 meeting.

Attachments

09.27.2017

MINUTES OF THE CHARTER REVIEW COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE SECOND FLOOR CONFERENCE ROOM, 100 NORTH U.S. #1, FORT PIERCE, FLORIDA, AT 4:00 P.M. ON WEDNESDAY, **SEPTEMBER 27, 2017**.

1. **CALL TO ORDER**

City Attorney Jim Messer called the meeting to order at 4:03 p.m.

2. **ROLL CALL**

Present: Gloria Johnson; Frank Fee, III; Eddie Becht; Darrell Drummond; Ben Bryan, Jr.; Harold Smyth; Bob Burdge

Staff Present: James Messer, City Attorney
Linda Cox, City Clerk
Nicholas Mimms, City Manager

3. **NEW BUSINESS**

a. Election of Officers

Motion was made by Frank Fee, III, seconded by Darrell Drummond to nominate Ben "Buck" Bryan to serve as Chairman.

AYE: Ben Bryan, Jr., Darrell Drummond, Eddie Becht, Frank Fee, III, Gloria Johnson
Passed

Motion was made by Frank Fee, III, seconded by Eddie Becht to nominate Darrell Drummond to serve as Vice-Chairman.

AYE: Ben Bryan, Jr., Darrell Drummond, Eddie Becht, Frank Fee, III, Gloria Johnson
Passed

b. Prioritization of Issues

Mr. Messer reviewed the resolution establishing the Limited Charter Review Commission. Specific review will be of Article XII of the City's Charter and the life span of the Commission is limited to 6 months. The work of the Charter Commission should be complete around March or April, 2018 with a report to the City Commission at a joint meeting in May or June, followed by any language to be placed on the ballot to the Supervisor of Elections in July. The provisions to be studied are Sections 169, 176 and 178.

City Manager Nick Mimms explained that his staff and that of the Fort Pierce Utilities Authority is available to assist with the gathering of any technical information required by the Charter Commission.

c. Sunshine Law and Public Records Briefing - City Attorney

Mr. Messer provided a brief overview of the requirements of the members of the Charter Review Commission to adhere to the Florida Sunshine Law, Public Records laws and Florida Code of Ethics.

The members of Charter Review Commission developed an extensive list of information they deemed important to their future discussions in preparing to make recommendations to the City Commission. The items include the following:

1. Identify all municipal taxes that route to the city through the UA for the city's benefit (like the CSI, Garbage, utility tax)
2. Identify all FPUA revenue streams
3. Identify all City of Fort Pierce revenue streams
4. How was the formula for transfer originally determined
5. Identify cities with similar sized utilities
    1. Identify the basis of the transfer used by other cities
    2. Identify number of customers and size of systems in other cities
    3. Rates of the UA and other similar sized systems
    4. How do other utilities calculate their transfer
    5. Identify structure as with a department or separate authority
    6. Copies of computations
    7. Outside service boundary rates
    8. Other autonomous entities and method of appointing their board members
6. FPL fee and tax info for that which is in City limits
7. 1994 Minutes from City Commission and UA when changed from 40% of net profit to 6% (compromise to get rate)
8. 1970-72 Minutes leading up to creation of authority
9. Any other information deemed by staff to be valuable to review.

The information will be gathered by staff and forwarded to the members for review.

d. Establishing Future Meeting Schedule

The Commission agreed to hold its next meeting on October 18, 2017 at 4:00 in Commission Chambers. The public input meeting required by the Resolution will be held on Tuesday, October 24, 2017 at 6:30 p.m. in Commission Chambers.

At the next meeting, the Commission will discuss all of the information that was gathered and distributed.

4. **PUBLIC COMMENTS (3 minutes per person)**

There was no public comment.

5. **ADJOURNMENT**

Meeting was adjourned at 5:20 p.m.

ATTEST:

_____ _____

CITY CLERK CHAIR

Charter Review Commission **4.a.**

Meeting Date: 10/18/2017

Re:

SUBJECT:

Background Minutes & Transfer Formula

Attachments

1964 Fact Finding Committee
08.24.1971 Minutes
09.25.1971 Minutes
1971 Citizens Advisory Report
01.03.1994 Minutes
01.18.1994 Minutes
05.25.1994 Joint Meeting
07.18.1994 Minutes
02.21.1995 Minutes
01.05.1998 PCA Passthrough

Mr. Huskey asked, "What would be the action regarding the present $165,000 in reserves and renewal and replacement funds?"

Mr. Wulbern said, "They would be left intact, exactly as they are. It might involve some transfer of funds, but the net effect would be leaving them just exactly as they are."

Mr. Willes inquired, "Mr. Wulbern, is this a negotiated sale? You don't expect to put the bonds out for bids?"

Mr. Wulbern said, "I suppose you would call it a negotiated sale. We would not put the bonds out for bids. We would be the purchaser and acting as agent for the City."

Mr. Willes pointed out, "Legally you can do this, but it is ill-advised."

Mr. Wulbern explained, "Cities like Kissimmee, Eau Gallie, Melbourne, Jacksonville, Lakeland and others have done advance refunding this way."

Mr. Harding commented, "Earlier you said you could not explain the proposal, but you have just explained it."

Mr. Wulbern said, "I can explain it in that manner, but as far as a precise bid, if I make a precise bid and it is published in the paper, etc., I am leaving myself open for anybody who wants to bid $50.00 less. It is not good business practice."

Mr. Harding pointed out, "As I see a negotiated sale, we negotiate with you and we will never know whether someone else could have done it cheaper."

Mr. Wulbern explained, "The problem is a little different here. It is a matter of saving money rather than some interest cost figure. It gives you a lot more flexibility for the market to go up and down within a period of two or three weeks and cost you more. We would try to hit a fairly reasonable market and save the maximum amount of money for the City."

Mr. Harding suggested, "I don't see how any of us working administratively can judge this until something is resolved in writing and can be analyzed.

Mr. O 'Laughlin said, "I want it clearly understood that I don't have any urge to negotiate a sale, and somebody is going to have to explain to me why we should. It may be the thought that there is some kind of a deal being made. I know, and I think I speak for the men on the Commission that there will be no deals. We have explored this thing and the best I have come up with is $22,000 savings."

Mr. Huskey said that is right depending on the interest rate. Mr. O'Laughlin continued, "Here is a man who says $100,000 can be saved, and is willing to put it on the line andhas brought a good faith check. I don't know what the mechanics are, but when we talk about $22,000 and we talk about $100,000, negotiated sale or otherwise, it does not mean a thing to me because I am here for one purpose and that is to serve the people best. I don't think anybody is going to argue with me on $78,000, if that is the best way to do it. As to what the mechanics are, I leave that up to Mr. Wulbern, Mr. Willes, Mr. Harding and Mr. Huskey, but I don't want to leave this hanging on the vine. If there is some merit to it, let's explore it."

Mr. Willes suggested, Let's explore it and have a report next Monday."

Mr. White expressed the opinion, "I think we are obligated to the taxpayers to try to save $100,000 if it is there to be saved."

Dr. Dannahower suggested, "Let's by all means explore it to the fullest extent."

Mr. Nelson advised, "I agree with Mr. White, that we are obligated to the taxpayers, but I also think we have some obligation to Pierce, Wulbern & Murphey. They are the first to inform us of the fact there was a substantial saving to be made. I am going to have to agree with the Mayor. I have no objection to negotiating as long as our people are satisfied we can make the savings you claim."

Mr. Wulbern pointed out, "We have always had a continuing sincere interest in the City of Fort Pierce, and actually bought the last issue of bonds the City sold and I think we paid a fair price for them. Our interest is of course in acting as financial advisor in certain circumstances, but also in bidding the bonds, paying the top price either in competitive sale of in private sale.

Mr. Willes, Mr. Harding and Mr. Huskey were instructed to have a meeting and report back next week regarding the advisability of this negotiation.

There being no further business, upon motion duly made, seconded and carried, the meeting adjourned.

Adjournment
ATTEST:

E. C. Huskey
CITY CLERK

L. A. O'Laughlin Jr
MAYOR - COMMISSIONER

MINUTES OF THE REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE MUNICIPAL COURT ROOM, NORTH SEVENTH STREET, FORT PIERCE, FLORIDA, ON MONDAY, JULY 6, 1964 AT 7:30 P.M.

Those present: Mayor O'Laughlin, Commissioners Dannahower, Nelson and White; City Manager Harding, City Attorney Willes, Director of Finance Huskey, Chief Christianson and Mrs. Lowry, Secretary. Excused: Commissioner Starratt.

Mayor O'Laughlin called the meeting to order.

July 6, 1964

Opening prayer was waived due to lack of a minister.

Motion was made by Mr. White, seconded by Dr. Dannahower and unanimously carried that minutes of the regular meeting of June 29, 1964 be approved.

Mr. O'Laughlin stated Mr. Starratt is absent tonight and that his absence is excused.

Mr. O'Laughlin explained due to an error in the time of publishing our notice for bids on the alterations equipment to convert Boiler No. 6, it would be improper to open the bids tonight. There will be a two-weeks delay on this bid opening.

Mr. Nelson entered the meeting room.

Mr. Carl Fremaux was next on the agenda. He introduced Mr. Joe Byer of the Florida Engineering Staff of Southern Bell Telephone & Telegraph Company. Mr. Fremaux stated the existing joint use agreement between City and Bell Telephone was negotiated in 1962, at which time the pole attachment rental was changed from $1.00 to the present figure of $2.00, and was negotiated on the basis of one year. They had at that time asked for a five year contract which is customary in other places. This contract has been up for renewal for a while. Southern Bell feels that the $2.00 figure is an extremely liberal one in favor of the City, and they would like the City to continue this present figure in the continuation of this agreement. Their present agreement with most cities is $1.00, while it is true that their contracts with some of the private municipalities and the REA Power Systems is somewhat different from this, varying in denominations to a maximum of $3.50.

Mr. Fremaux pointed out that $1.00 figure is established by cities in Florida, because cities have attempted to attract Southern Bell to use their poles as it is an opportunity to minimize the poles that are placed in the city limits. The amount of the agreement with other cities would be a factor to be taken into consideration, but he feels that a more significant factor would be the factual approach as to what is the investment that the City makes in a pole and what is the annual carrying cost maintenance and depreciation on that investment.

Mr. Harding said he did not have a figure on carrying cost, but the investment on pole replacement is about $60.00 in place. The average life of a pole is eighteen to twenty years.

Mr. Fremaux explained that $2.00 figure indicates that they are paying their fair share of being located on the City's poles, as the City's poles are of sufficient height that Southern Bell can attach to them without any modification, but a pole that is adequate for telephone service is not adequate for power and therefore it is necessary for them to change poles in order to accommodate the City when the City attaches to their poles. On that basis many of their agreements are non-reciprocal in that the charge to the power company is greater than the charge is to the Telephone Company. Southern Bell is anxious to bear their fair share of the cost of City administration, but they do feel they should not pay beyond what is a fair rate for any item of operating expense on their part. He appealed to the Commission to consider present cost in relation to the investment and carrying cost of the City's poles, and he believes they will find the present cost an adequate one.

Mr. Harding stated he has a number of pieces of literature on this subject and one piece of literature shows a number of cities with a municipally-owned utilities reciprocal agreement at $1.00, but it also shows Florida Power Corporation as $2.00, the Florida Public Utilities at $1.00, Florida Power & Light at $3.60, Gulf Power Company at $3.60 and various REA cooperatives ranging from $2.00 to $2.30. He has information on an agreement between Lakeland and the General Telephone Company at $3.75 per pole per year, and Southern Bell is paying $3.00 per pole on the municipals in the Tennessee Valley.

Mr. Byer of Southern Bell stated agreement between General Company and Lakeland is not a joint use agreement. It is an attachment rental agreement and on entirely different basis than here, as Lakeland owns all the poles. The Telephone Company has none.

In answer to Mr. White's question, Mr. Fremaux stated he feels that if the City raises this pole tax on $3.75 it will cost the telephone subscribers of Fort Pierce more. Southern Bell is already paying a 10% municipal tax, and net income on that tax to City of Fort Pierce in 1963 was $49,539. This is in addition to the many other taxes which they pay. They are the largest taxpayer in the City and County. He stated there is no need for the City to charge a higher rate to force them to place more poles. We are doing everything we possibly can to set poles. We are cooperating in every way we know. We have considerably reduced the differential between the telephone company attachments to City poles, and City attachments to ours, and we hope to continue to do so. Mr. Fremaux stated they do not charge the City anything for collecting the utility tax. They just issue a monthly check. He does not know what it costs to collect the tax, but it is a significant factor.

Dr. Dannahower asked if a hurricane blows down a lot of poles, does the City put back their poles and the Telephone Company put back its poles?

Mr. Fremaux answered, "This is a factor that was involved in the discussion when we negotiated this agreement two years ago. At that time we made a commitment to the City and we stated we are ready to stand behind that figure - that we will have poles available on immeidate notice. The day after the storm we will be placing poles and we would welcome the opportunity to use that to improve the balance between City and Telephone Company. We have reduced this out-of-balance condition by 750 poles in the last two years. The net difference up to now is 3,644 poles belonging to the City that the Telephone Company is using.

Mr. Nelson stated he asked Mr. Fremaux the other day if an increase in pole rental would be reflected in increased telephone service prices, and Mr. Fremaux told him that the Utilities Commission established prices, and Mr. Fremaux told him that the Utilities Commission established prices dependent upon the population in the area, and that he would furnish him with this range to find out where we stand. This information has not been forthcoming and he would like Mr. Fremaux to elaborate on it.

Mr. Fremaux explained he is sorry for not furnishing the information, but it is a matter of information and he will be most happy to provide it. Southern Bell does have a guide range within which the Utilities Commission establishes rates in each city. We might not say there would be a direct and reciprocating increase in the rates for telephone service to compensate for this change in the course of their operations

as a result of this increase. Certainly rising costs must affect the cost of telephone service. The Utilities Commission is receptive, but not always agreeable, to please when it becomes necessary. This exchange is negotiated on an individual basis and the Company would be happy to provide those figures.

Mr. Harding stated, "I don't understand the relationship in this other city where you are paying General Telephone Company $3.75 - the fact that they have all the poles and you have none. There is nothing reciprocal there because the reciprocal part just cancels off poles and you are left with a net, so I don't see what difference that makes."

Mr. Fremaux explained it makes a considerable difference in that in this instance the Telephone Company has no investment to make. They are out renting space on a pole. The cost to the Telephone Company to accommodate the City is greater than the City's cost to accommodate the Telephone Company because the City would use a standard 40-foot pole and the Telephone Company would use a 30-foot pole on which you can't place a power line as a ten-foot greater length is needed to accommodate the City. This is a primary factor to be considered.

Dr. Dannahower asked, "If you put up a pole, do you put it on City right-of-way or buy it from someone? Do you get an easement? This might compensate for the difference in the size of the poles."

Mr. Fremaux pointed out it would vary. In some instances they are on private right-of-way and in some instances they are on public right-of-way, City, County or State. They use public right-of-way wherever possible. They locate on property lines, and a good large portion of their spot poles to serve individual service entrances are on property lines.

Mr. Harding pointed out, "Florida Power & Light Company gets $3.60 a pole outside the City. What is the difference there and why is that proper and something less inside the City."

Mr. Fremaux explained there are two factors to be considered. First, that Florida Power & Light Company, being a privately-owned utility corporation has franchise costs, license fee, advalorem taxes, etc.. Their operating cost in money is considerably greater than what the municipalities' costs are. Therefore, their average investment would be less. Also, another factor is that traditionally a power company could not care less whether they attach to their poles. However, the City would prefer that they attach to City poles.

Mr. Harding asked if the charge the Florida Power & Light Company makes to Southern Bell is subject to the Utility Commission rules, and Mr. Byers stated no.

Mr. Harding concluded that it all boils down that you could not negotiate as well with Florida Power & Light Company and also maybe some recognition of this tax differential.

Mr. O'Laughlin advised Mr. Fremaux that they appreciated his coming and will take into consideration everything he told them.

Letter addressed to City Manager from County Administrator Ordway, dated July 1, 1964, relative to report on sidewalks around various schools, was read.

Mr. A. F. Harding, City Manager
City of Fort Pierce
Fort Pierce, Florida

July 1, 1964

Dear Mr. Harding:

Attached is report of the Board of Public Instruction and Board of County Commissioners Sidewalk Committee relative to sidewalks around various schools. Also attached is tabulation sheet showing sidewalks conditioned on what is done by city, paving conditioned on what is done by city and sidewalks unconditioned.

The following is an excerpt from the minutes of the Board of County Commissioners, meeting held January 30th, 1964:

> Moved by Commissioner Hebb that the program be adopted as reported, and authorize going ahead with the paving indicated which is not contingent upon city participation, was seconded by Commissioner Nelson, and upon roll call, unanimously carried.

The sidewalks on the tabulation sheet under unconditioned were authorized for construction without further action by the Board. The balance of the work is not authorized at this time pending action by the City Commission. I will appreciate your having your City Engineer give us an estimate of the cost of the sidewalks and paving shown on the tabulation sheet.

I was advised by Mr. Ben Bryan that the Board of Public Instruction approved the report under the same conditions as that of the Board of County Commissioners at their meeting held on the evening of June 30, 1964.

Yours very truly,

C. F. Ordway, Jr.
County Administrator

CFO:mr
Encl:
CC: Mr. Ben Bryan
Mr. Weldon B. Lewis

Mr. Lewis reported that there is some question concerning Mr. Ordway's letter which says, "Also attached is a tabulation sheet showing paving conditioned on what is done by City and sidewalks unconditioned." Mr. Lewis said originally it was his impression when the City Commission, School Board, and County Commission met

that the questions concerning paving adjacent to a school were thrashed out and settled at that time. It was agreed that generally, the streets adjacent to the schools, subject to paving, would be paved, one-third of the cost would be paid by the City, one-third by the property owner, and one-sixth by the School Board and one-sixth by the County. As to whether he agrees or not with the Committees recommendations, Mr. Lewis summarized his opinions as follows:

"Lawnwood School - Sidewalk Committee has stated that they recommend sidewalk adjacent to the Lawnwood School provided that the City extend sidewalks along 23rd Street down to Virginia Avenue together with installation of street paving along 23rd Street to Virginia Avenue. I would not recommend that installation at this time due to decisions to be reached in the Lawnwood area. It would be my recommendation that the street paving along 23rd Street be installed as originally proposed, together with street paving on Rhode Island and the sidewalk adjacent to the school then be deleted until a future date when development of Lawnwood is proposed south of the school. It would be my recommendation that Rhode Island be included if 23rd Street were to be paved. This gives access from 25th Street and then orth and south. These rights-of-way are more or less fixed because of the development of 25th Street.

As far as their proposal in which they condition the installation of sidewalks on 23rd Street with the installation of additional sidewalk and paving on 23rd Street, south of the school, I would recommend that none of those installations be made.

Fairlawn School - The proposed street paving under Improvement District #4 includes three streets adjacent to Fairlawn north, south and east. The sidewalks 33rd Street be installed on front of the school provided that the sidewalk extend along 33rd Street to Okeechobee Road. In addition sidewalk on the north side of Fairlawn be installed provided the 33rd Street installation is made. They make no reference to Sidewalk to the other two sides because there is a tremendously deep ditch on those two sides which bar installation of sidewalks on the south and on the east. In this instance I would agree with the sidewalk Commission recommendation. I feel that sidewalk along 33rd Street north of Okeechobee Road should be included as part of the assessment program.

Dan McCarty High School & St. Lucie County Junior High School - As far as the pavement proposed in Improvement District #4, we have proposed reconstruction of pavement along Mississippi. That pavement turns southerly on Ohio. That section needs to be reconstructed, also. We have proposed additional paving the full length of Royal Poinciana together with proposed street pavement on the streets west of Sunrise Boulevard. I agree with the Committee's recommendations.

Chester A. Moore School - I agree with the Committee's recommendations.

Means Court School - I agree with the recommendations of the Sidewalk Committee."

Dr. Dannahower expressed the opinion that part of Avenue I west of 29th Street, which is only about a block, should bepaved, and then that whole area would be paved. Mr. Lewis said they will check that portion and whatever part is necessary will be included as part of the street paving.

Lincoln Park Academy - I agree with a portion of the Committee's recommendation. Paragraph 'a' their recommendation is that sidewalk be installed along 17th Street from Avenue D to Avenue Q and they said if this is done that they recommend the sidewalk installation adjacent to the school. I do not concur with that recommendation at this time because of the problem of right-of-way involved and other finance troubles in that area. 17th Street is included in Improvement District #2, and the property owners will be bearing that share of the cost. For their paragraph 'b' recommendation, the Committee has recommended that sidewalks along Avenue K from 17th Street to 21st Street, together with that along 21st Street from Avenue I to Avenue K be installed provided that street paving is installed 21st Street from Avenue K to Avenue Q and sidewalks installed along at the same time. I would concur with the Committee recommendation here because it would link Garden Terrace Elementary School, and Lincoln Park Academy.

Garden City School - I concur with the Committee's recommendations which included again the pavement of 21st Street.

Frances K. Sweet School - There are certain problems that the City will want to consider, namely, that the City limits extend to the center of line of Avenue Q and the street paving proposed into F. K. Sweet is not included in the original Improvement District 4, and if included some means of a portion of the cost will have to be worked out between the City Commission, the County and School Board."

Mr. O'Laughlin stated until we have our overall master plan on the development of Lawnwood, how are we going to know we are putting improvements in in the right place?

Mr. Lewis said we will not know about anything south of the school. The only surety would be the right-ow-way adjacent to the school.

Commission agreed to proceed with street paving only on part adjacent to the school, but omit any other improvements until we have our master plan from the Planning Board for Lawnwood School area.

On sidewalk along 33rd Street from Rhode Island to Okeechobee Road, cost of approximately $1400, this would not be of any cost to City, but City would have to furnish the right-of-way. Commission agreed this would be included.

Decision on 21st Street from Avenue K to Avenue Q where the City's share would be one-third cost of the street paving for that distance, was unanimous in favor of going ahead.

Mr. Lewis will present a report to the Commission next week, and will be in contact with the County with respect to Item 8 of the Sidewalk Committee Report, and Commission will finalize their action on these improvements.

July 6, 1964

Letter from Superintendent of Public Instruction, dated June 27, 1964, addressed to Mr. Harding, regarding athletic stadium was read.

June 27, 1964

Mr. Alfred S. Harding
City Manager
P. O. Box 660
Fort Pierce, Florida

Dear Mr. Harding:

Mr. Willes told me that you would like to have a statement relative to the construction of an athletic stadium, provided the City deeds sufficient land to the School Board for such a purpose.

I. I have discussed the proposition with Dr. Sims, the Chairman of the Stadium Committee, and Coach Slay, a member of this committee. I am in agreement with them that a site in the Lawnwood Subdivision would be a good location for a stadium.

II. I advised Dr. Sims that if sufficient land is made available, I would attempt to promote the construction of the stadium without a tax levy.

III. This has been discussed with the Board of Public Instruction and I feel that the board members will give their support to the construction of a new athletic plant.

IV. In order to carry through on a project of this nature, it will be necessary to have the cooperation of all city and county governmental agencies and civic groups. If the proj ect is attempted, I hope we can secure this cooperation.

Sincerely,

/S/ Ben L. Bryan

Ben L. Bryan, Sup't. of
Public Instruction

BLB:w

Copies of this letter are to be furnished the members of the Stadium Committee. A meeting of Stadium Committee is to be arranged for Wednesday night. Mr. Kelly and Planning Board to be invited.

Letter from Pittsburgh Baseball Club, addressed to Mayor O'Laughlin, dated July 2, 1964, regarding Fort Pierce stadium field to be used for their minor league spring training base, was read.

PITTSBURGH BASEBALL CLUB
PITTSBURGH, PENNA.
15213
Forbes Field

July 2, 1964

Mr. L. A. O'Laughlin, Jr., Mayor
City of Fort Pierce
Fort Pierce, Florida

Dear Mayor:

As I mentioned to you during our phone conversation this morning, the Pittsburgh Baseball Club is in need of a minor league spring training base, due to the loss of our facilities at Daytona Beach.

Our present Minor League Organization consists of seven clubs:

Columbus, Ohio
Asheville, North Carolina
Kinston, North Carolina
Reno, Nevada
Batavia, New York
Gastonia, North Carolina
Salem, Virginia

Our spring training program starts around March 15th and ends April 24th. These dates vary each year depending on the openings of the leagues that our affiliated clubs are members of. Approximately a week to ten days after our clubs openings, we hit our peak of attendance of 160 to 180 players. We have a staff of twenty-five, which consists of managers, coaches, scouts, instructors and administrative personnel. We would need living accommodations for both players and staff and feeding facilities for about the same number. We normally contract with the Morrison Food Service for the feeding of our personnel. We need dining and kitchen facilities to handle such a group, unless we could contract locally at a reasonable price per meal.

Beside your existing stadium field, we would need three additional baseball fields. The three fields would have to be together with backstops and outfield fences. Located in the same area as the three fields, we would also need the following facilities for instructional purposes:

Enclosed batting cage - 40 x 80 ft., with electrical
110 volt outlets for our mechanical pitching machines,
constructed of pipe and chain link fencing.

Sliding pit - 20 ft. square with sawdust.

Running track - 210 ft. long and 25 feet wide.

July 6, 1964

Located in the middle of three diamonds, we would need an observation tower for instructors and managing personnel.

We would need a locker room with sufficient lockers to dress 180 players with individual wood lockers. In the same building, the following additional rooms are needed:

Staff dressing room to accommodate 20 men with shower facilities.

Umpires room to accommodate six umpries.

Equipment room, trainers room, doctors room and room for several offices for our camp director and camp business manager.

We would not be in need of field lighting for night baseball; we do all of our training during the day.

Mayor, I would be happy to meet with you or any of your Sports Committee Officials, at which time I could present sketches of the fields and clubhouse facilities we would need.

Our training program is run on a limited budget and I believe the big factor in entering into an agreement would be the cost of housing and feeding our personnel.

I would appreciate hearing from you as soon as possible, if you feel that the City of Fort Pierce would be interested in becoming a winter home for the Pirate affiliated clubs.

Kindest personal regards,

/S/ Joe O'Toole

Joe O'Toole
Assistant to the General Manager

JOT:pod

It was agreed that facilities needed by this league would be discussed at the meeting Wednesday night.

Mr. Huskey acknowledged letter from St. Lucie Holiday Association, dated June 25, 1964, in which they outlined the activities which they carry on and stating their center is used for boy scouts, brownies, teenage dances, and a great deal of use in Summer recreation program with approximately 60 children registered. They are asking that the City furnish them free electricity.

Mr. O'Laughlin asked that the letter be acknowledged and tell them no change has been made in the decision of the Commission to deny this request.

Colonel Vest, Civil Defense Director, stated tomorrow the national disaster plan, or Annex 15 is an overall plan and outlines in general the major things the City should have in preparation for a hurricane, but it must be supplemented with operating procedures by all departments mentioned in the plan. Each department should know where to go and what to do in event it becomes necessary.

Mr. Harding was instructed by Mayor O'Laughlin to give out copies of this national disaster plan to all key personnel, and when they have had ample time to study it, everyone that has an official duty to dispatch in the event of a disaster, should be summoned together with Colonel Vest in order to sum up what to do in event of a hurricane. A meeting is to be held within the next two weeks.

Mr. Harding said, "With regard to the vehicle that was formerly used by the Home Service Department, we are bringing this to the attention of the Commission, because it is related to this particular department. We would like to reassign this to the Water Service Department to replace a 1950 Chevrolet Pickup Truck which was purchased second hand at Camp Blanding in 1960. Mr. Bryan has been using a truck, but could use a car equally as well as he only carries a limited number of tools which could be carried in the trunk of a car. This seems to be a logical use for this car rather than having it doing nothing. We will make an appropriate adjustment in the utility accounting when the vehicle is transferred to the water operation. The old pickup truck will probably be retired." Commission was agreeable with this action.

Letter addressed to the Commission, attention Mr. Harding, City Manager, from Sullivan, Nelson & Goss, Inc., was read as follows:

"This is to replace our letter of July 2, 1964, due to information furnished to us on this date by the City Manager and Finance Director, which set up certain requirements to be met in the issuance of any proposed refunding bonds in order for the proposal to receive consideration by the City Commission. We propose to purchase from the City an issue of refunding bonds in the amount sufficient to provide funds for meeting principal and interest as maturing on the present debt through April 1, 1967, and the redemption of the balance of the outstanding principal on that date along with the call premium. For such an issue we will pay a price at par and accrued interest to the date of delivery. Our plan leaves the present reserve account of approximately $165,000.00 intact to be carried forward as the reserve account for the new issue. The proposed refunding bonds mature serially from 1965 through 1986. The average annual debt service for the proposed refunding bonds is $149,927.00 while the requirement for the present debt service is $151,861.00. It is our understanding that the preservation of the present reserve account and fixing the annual debt service requirements at an amount not to exceed the present annual requirements of positive considerations to be met by any refunding plan in order to receive consideration by the City Commission. In addition to the purchase of the proposed refunding bonds, we will contract to sell to the City the necessary U. S. Government securities required as investments for the irrevocable trust to be set up under the refunding plan. The price to be agreed upon now and the securities to be delivered simultaneously with delivery to us of the refunding bonds. Our plan of refunding as proposed will save the City the sum of $117,780.00 compared to the cost of the present bond issue outstanding, but not considering payment of the agent's fees on the called issue and the escrow fee for the trust. Schedules supplying detailed information on each phase of the proposed plan of refunding according to statements made in this proposal are available and will be furnished to the City upon its acceptance of the proposal, it being understood that such acceptance is subject to the checking and approving of the detailed information by the City's representatives.

Very truly yours,
Barcus, Kindred & Company
Mallaney, Wells & Company
Thomas M. Cook & Company
Sullivan, Nelson & Goss, Inc.

Postscript: Adjusting the savings referred to above to provide for the payment of paying agent's fee on the 1957 issue and escrow fee on the trust would mean additional expense of $3,755.45, leaving a net saving of $114,024.91.

Mr. Huskey stated we had a proposal last week presented by the firm of Pierce, Wulbern & Murphey, Inc., of Jacksonville in which they proposed a similar plan which they would guarantee to save $101,000.00 approximately. They say they are ready to purchase and this would be a guaranteed savings as far as the City is concerned.

Mr. Wulbern of Pierce, Wulbern & Murphey, Inc., stated the proposal as presented does not guarantee any specific savings. We were attempting to show by illustration what could be done, taking a conservative estimate. As we pointed out we could go well in excess of that. We would prefer to have an authorizing ordinance passed before we make a permanent proposal, but we also stand prepared at any time to submit a firm proposal. I don't think it would work out to the best interest of the City. We could present something that would be more acceptable to the City than what they have in front of them. Our plan is not on a particularly comparable basis as we used one year longer debt service and more annual savings per year. We would like to see the bonds auctioned off tonight. We would like City to retain us to act as investment banker and develop an ordinance that would be suitable in all respects. I think the City knows how we are willing to cooperate and try to work out something that might even be more liberal than the ordinance in existance. At that time we give our proposal to purchase the bonds the City thought it was not in line or unreasonable in any respect, the City would be under no obligation to sell the bonds to us. We would be willing to guarantee a specific savings in this instance."

Mr. Harding stated, "Last week you indicated an interest in the proposal that was submitted. The West Palm Beach firm heard about this through the paper and contacted me and wanted to know if they could talk with me and I said yes and they did. They wanted to send a proposal and I could see no harm in that. A third firm contacted me this morning and indicated that they were also interested in this and they got up here late this afternoon, but they are not here tonight to present a proposal. I told them it was not necessary or they might have been here. Their calculations indicated an even more favorable situation. There probably are an infinite number of combinations that can be played with in trying to figure out this refunding. Actually what is going on is that a certain amount of money would be borrowed by the sale of bonds at this point, most of which would be reinvested until bonds are callable in 1967. So there is the variable of what people think we could sell the bonds for and a variable of how this money will be invested after we have it, which is an investment under the remote and trust provisions. Everyone, I guess, is entitled to an opinion here as to what could be done. These firms are interested in giving us a guaranteed bid. They would take them for this amount and of course they are taking a certain amount of risk there and no doubt are guessing their prices quoted. I think we can probably assume that if the City took the same position and we are willing to run the same risk, to think the City could save the same amount of money that these folks are proposing as a hedge to protect them against market swings. It would probably take us about 90 days to put these things through a public bid procedure.

Mr. Huskey has been in touch with Mr. Shaw of Wainwright & Ramsey who has been our fiscal consultant. He in turn has been in touch with our bonding attorney and has a slightly different legal opinion than he was working under when he last submitted a proposal to us. That would probably alter his predictions a little bit of what could be saved on this kind of an issue. So I think we are back to deciding what to do. How many others would be interested in submitting a proposal, we don't know. I think that one alternative the City could take would be to have our own fiscal consultant restudy this and give us a recommendation as to what we could go into a bid with. This would be a straight public bid and everyone would have an equal chance. A second alternative is to try and run an ad in which we would receive sealed proposals in accordance with our ground rules. This would probably be more difficult to judge and these would be guaranteed bids in which the bonds would be sold immediately. A third procedure would be to negotiate with several bonding houses for the best prices that could be obtained. If that is done then some group or person has to be authorized to carry on negotiations. I don't think anyone has a hedge on any particular part of this market and there is a lot of firms that can make these offers. My own particular view is that I would much prefer to go the sealed bid route using our financial consultant who put together the program that seemed to be most attractive. You will never know what will save the most money. Ifyou do it by sealed bids you will know this was the best savings you could get at the time you did it. If you do it by straight negotiation, you will never know whether that was the best deal or not. I think it is the case of who is going to take a chance on the swing of the market."

Mr. O'Laughlin pointed out in February we got all these proposals with all of these great sums of money we were going to save and yet our fiscal agents, Wainwright & Ramsey, finally came up with a savings of around two or three thousand dollars.

Mr. Harding explained that plan required us to reestablish the reserve and would have drawn other funds into the program so that it would have been a problem for our general fund. His conclusion was that it would have been a problem for our general fund. His conclusion was that it would be better to wait until 1967 and refinance at that time, but at that time as I understand it, the bond attorney has decided that he would have to reinvest the money in government bonds as opposed to other types of investments such as certificates and deposits. I think he is also under the impression that legally he had to reconstitute the reserve fund. We have had this much conversation with him during the past week. There has been some change in the opinions of our bond attorneys. These gentlemen who are bidding would have their own bond attorneys. They have consulted with them before making these proposals.

Mr. Jackson of Sullivan, Nelson & Goss, Inc., pointed out that this proposal they submitted tonight has a guaranteed savings, and you do not have to wait and gamble on the market. You know exactly what you are going to save if you take this proposal.

Mr. Harding said that he talked with a reputable, competent person today that was willing to go twenty to forty per cent better than the proposal of Sullivan, Nelson & Goss, Inc.,

Mr. Nelson stated, "I think these are all reputable people and as I said last week, I think this Pierce, Wulbern & Murphey, Inc., is the one that initiated and first brough the matter to our attention. I think he should have every opportunity to make a firm offer and then let us make a decision."

Mr. White made a motion to instruct Mr. Wulbern, of Pierce, Wulbern & Murphey, Inc., to prepare a bond ordinance and bring it back to us and we will pass the ordinance at that time.

Mr. Nelson commented, "I don't want to go through all that motion because I don't think this is proper. I think we should find out now, if possible, what the best offers are. We have a net savings of $114,000 from Sullivan, Nelson & Goss, Inc., and Mr. Wulbern says he can meet that or beat it. I would like to have him say what he wants to do."

Mr. Wulbern pointed out, "You can set up a maturity schedule in a number of ways to show almost any savings. City has to determine what type of payments it wants to make. If you shorten the maturity by one year, you save a certain amount. Shorten it further and save more. You can run a maturity schedule which would result in annual principal and interest payments which were virtually equal to the existing one over maybe ten years and then substantiate more bonds thereafter and it would result in a very substantial savings. You want to work with someone who is going to point these things out to you, give you alternatives, and work with you on it later to give you the best plan in the interest of the City."

Mr. O'Laughlin asked, "Suppose we take sealed bids. First we have to get Wainwright & Ramsey to prepare ground rules. That is an expense we have to bear whether we accept it or not. What cost do you think we are going to incur should we go to sealed bids?"

Mr. Harding said, "The sealed bid route that I recommended is a straight public bid. That one I have discarded. The other one that I would propose is that we establish our ground rules and take a less formal sealed bid in which they would submit proposals in accordance with these ground rules. I believe fiscal agents probably carry $3\frac{1}{4}$ of 1% for their service, and they could do a better job preparing ground rules than City forces, but we can prepare our own ground rules. Mr. Nelson agreed with Mr. Harding.

Mr. White's motion to instruct Mr. Wulbern of Pierce, Wulbern & Murphey, Inc., to prepare a bond ordinance and bring it back to us and we will pass the ordinance at that time died for lack of a second.

Mr. O'Laughlin adivsed, "Our first obligation is not to these gentlemen here tonight but to the City of Fort Pierce, and I for one am going to rely on Mr. Harding's recommendation as to whatever you prefer and what you think will do the best for the City."

Mr. Harding said, "I personally am willing to take a chance on the market and go by straight public bid route which would take us about 90 days to put together. That would be my initial thought. If that is not acceptable, my second one would be that we try to put together a proposal that these people can offer their proposals evenly, which is their problem here now. That would be a kind of sealed bid, but you would not be taking chances on swings in the market. I can get experts in to straighten out the facts. If we are going to do it ourselves, I can tell you the procedure we will use. Mr. Huskey and I will try to write the ground rules down as we see them, and I would try to sit down and test our ground rules with these people to see if they see inequities. Otherwise, we would have Wainwright & Ramsey just write it."

Motion was made by Dr. Dannahower, seconded by Mr. Nelson that we take the sealed proposals idea with City forces preparing these ground rules and assuming that they feel that when they are prepared that they are adequate. They can present the ground rules to the Commission at that time.

Mr. Willes stated there was no doubt in his mind that Mr. Harding, Mr. Huskey and himself could prepare them. It would take less than thirty days.

Mr. Wulbern again stated they could guarantee the City a specific savings right now without waiting sixty or ninty days, but it would not be their best bid.

Mr. Harding said the problem is that we would have nothing to compare this bid against.

Motion was made by Mr. White, seconded by Mr. Nelson that the motion that City forces prepare the ground rules be tabled. Those voting in favor of the motion were: Messrs. Nelson and White. Those opposed: Messrs. Dannahower and O'Laughlin.

Since it was a tie vote, the motion failed. Motion for City forces to prepare the ground rules is still on the floor. Those voting in favor of having City forces prepare the ground rules, that is, specifications for sealed proposals for a negotiated guaranteed bid sometime within the next thirty days, were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

A three minute recess was called.

Meeting was reconvened.

Mr. O'Laughlin announced that, "In view of the resolution that was passed last week we have had a verbal resignation by Mr. Evert Young of Reynolds, Smith & Hills as our sewer and water distribution study engineers. This will be followed by written confirmation of that, so there is no necessity for the resolution requested by Mr. Willes, Mr. Harding."

Mr. H. T. Enns, Jr., Member of the Utility Fact Finding Committee, stated, "It has been a pleasure for all of us and quite a compliment from one standpoint to have you appoint us as a fact finding group as and quite a compliment from one standpoint to have you appoint us as a fact finding group as to whether or not a Utilities Commission should be adopted by the City of Fort Pierce. We have rendered our report. We hope that it is along the lines which you wish, and we will do our best to answer any questions or make any further comments that you might like to present."

Dr. Dannahower asked, "I have some questions that I would like to ask that deal primarily with the comparison of Fort Pierce to Orlando. The report and information in the file indicate that Orlando has a cost of 9.5 mills per KWH at the meters, exclusive of depreciation. The nearest I could find, and perhaps I did not dig quite deep enough was that Fort Pierce has a comparable figure of 9.99. Is this correct? Do you know what Fort Pierce's cost is per KWH at the meter?"

Mr. Enns replied, "The Fort Pierce figure, according to the information which we received, would be right around 1¢. On the other in studying over one of the recent reports from one of your rate consultants they give it as 1.228. I rather imagine that it might be below that, but I am not in a position to say."

Mr. Skinner reported, "I do not have the figures with me. The rate report did show a cost, energy plus distribution, of 1.228."

Dr. Dannahower inquired, "What about Key West and Sebring that operate also under a Utilities Commission. They are more comparable in size to Fort Pierce than what Orlando is. Can you tell us what their cost is per KWH?"

Mr. Enns answered, "No, I can not. We figured from the standpoint of picking out what we knew was a long term successful operation and has been in business since 1923, and on that basis figured that would be the best comparable situation because they had really been in the harness a long time. From that standpoint we have their figures when they were as small or practically the same size as we are."

Dr. Dannahower pointed out, "Actually what we are doint here, we are taking a plant of 436,000 KW this year and comparing it with one of 66,000 KW when the two programs are completed. I am wondering if there is a great deal of difference in efficiency in two plants of this size? Does cost decrease marketively as the size goes up? What can we expect? Can we expect to reach this efficiency or would it appear that we are not operating efficiently from these comparisons?"

Mr. Skinner explained, "The figures we are talking about are fuel oil cost, operating cost of operating the plant and distribution system. These are primary operation costs which do not take into account, I co not believe, investment cost and some other factors. The main controlling point there would be the fact that your larger machines would be more efficient so that the operating cost of fuel oil or gas whatever the fuel might be would reduce as the machines get larger. The efficiency of the distribution system I believe would remain fairly constant so that as the system grew, the plant itself would show an increased efficiency which would reduce the total figure from perhaps 1.2 or the figure used in the rate report to 1¢ or the 9.9 mill figure you had there."

Mr. Nelson asked, "Does this 1.228 figure include all the current used by the City?" Mr. Skinner stated, "I do not believe it does."

Mr. Evert Young, Consulting Engineer said, "Orlando is operating two plants some 47 miles apart, and their cost is necessarily a little higher than if they were operating one plant, and their cost should be a little bit lower than yours."

Mr. Enns commented, "That is true excepting one thing, that it all depends on the point to which you use it, whether you are using 50% of your capacity, or 75%, and just like in our own case here, I don't think there is any question, but what Mr. Skinner would agree that when that new unit gets up in our demand that new unit will be producing at a better rate than if the demand is a maximum of twenty. Is that not correct Mr. Skinner?"

Mr. Skinner said, "That is correct. What we are talking about here is the actual operating and production costs of approximately 1¢ and undoubtedly Orlando's particular system may be a little more efficient than ours at the present time due to several things other than size."

Mr. Enns stated that an important point the Utility Fact Finding Committee is trying to bring out is what per cent of a dollar taken in gross revenue is returned as net profit.

Dr. Dannahower pointed out, "I notice that you compared the Fort Pierce year ending September 1963 with one of Orlando's ending December 1962. There was a full year in this report for Orlando of 1963, where their net retention was considerably less than the 33% they had previously."

Mr. Enns said, "In 1960 Orlando returned about 34%, in 1961 it dropped about 31 or a little over 30; in 1962 - 33, and in 1963, as Mr. Stanton pointed out in his letter, they did reduce because of their big expansion program of that year. They dropped down about 4%."

Dr. Dannahower said, "They dropped down to about 28% as compared with our 23%?"

Mr. Enns further stated, "In the years in which we had a comparison breakdown 1961, 1962, and 1963, for Orlando of each dollar of gross revenue in 1961, they returned 16¢; 1962 - 17¢; and 1963 - 14.2% out of every dollar was returned to theCity. On that basis if we took a figure of $2,655,000 as an approximate gross income, I think it runs about $375,000 which the City would be getting."

Dr. Dannahower siad, "You have made a point on Page 12 that no bonds had been voted. Plans for improvements and additions have been paid from plant earnings. I think this is true in Fort Pierce too. We haven't voted any bonds in some years."

Mr. Enns advised, "You voted revenue certificates. They have not voted any ad valorem bonds over there. They are revenue bonds."

Mr. Huskey stated, "In the very beginning there was a small ad valorem bond issue to start the electric plants, but since then it has been revenue certificates."

Mr. Enns said, "Orlando has done the same thing since about 1955, and with their expansion program beginning in 1955, their total at the present time is about $68,000,000."

Dr. Dannahower said, "One question concerning the separating of these from the City operation - how we would handle these administrative charges and if we would actually reduce administrative charges in terms that we have to have a manager, which has already been recommended. We have a finance department that is now handling both and the charges are split generally speaking, according to how much time is consumed by these departments. Would this proposal of the Utilities Commission completely separate these so that these departments would now function just for City governmental uses and the utilities would have their own finance department, their own personnel department, right on down the line."

Mr. Enns stated, "The Utilities Department is a separate operation as I understand it. In the separation of the two you would find that certain segments of your present City organization could be transferred over. They may have been doing that work now and it would be an ordinary transition."

Dr. Dannahower said, "I was thinking where we have one or two people, like in personnel, we have a couple of secretaries and one man charged to that department, we will have to retain that in normal City governmental activities. It would appear to me that we may not be increasing our efficiency if we have to set up duplications in some areas here."

Mr. Enns stated, "It would be a self-contained organization, as far as I can see. There would be some changes in your billing. Your billing is handled at the present time on your sewer and water. I can see no reason why that could not be continued. On the other hand it would hardly seem to the Committee that administrative charges of $114,000 per year were in line with an operation the size of the utilities operation."

Dr. Dannahower asked Mr. Young, "What is your feeling about the administrative charges? Do you view this operation from that point at all? What should the administration charges be on an operation of our size percentage wise?"

Mr. Young stated, "There is no rule of thumb, but in many years past we have complained that your administrative charges are substantial. It comes down to this. Your electric utility is a going concern, it is a revenue producing thing and contributes to your general fund in many ways. I concur with Mr. Enns that $114,000 for administration is a very stiff figure to pay. If the electric system did not pay that, the general fund would have to pay it."

Mr. Enns stated, "It is a bit difficult to find out what the utilities operation is, but it is being loaded with excessive charges in the way of administration."

Dr. Dannahower stated, "The Orlando formula is 50%. I believe our charter says we can't return over 40%. Does your Committee suggest that if we go to Utilities Commission, that it be changed to 50%."

Mr. Enns answered, "Definitely. In fact the Orlando charter says that it returns 50% of the net profits. One other thing that is important is that in Orlando that return is made on an approximated monthly basis which gives the City a cash flow of money twelve months out of the year rather than waiting on tax collections or anything of that sort. There is another factor. If you will check those figures there on the Orlando returns, you will find that the figure that they turned over to the city is slightly more than the amount which is returned. They not only have the 50% basis, but I think there is a little variation of arrangement whereby the results of the abundance over and above 50% is turned over to the city. The amount to be turned over to the City of Fort Pierce by the Utilities Commission would definitely be the 50% and not any 40% such as you have at the present time. In fact the present city provision, as I recall, says up to 40%. The general fund has not always taken the 40%, as I recall, but it is up to that. Definitely, it would not be up to, but it would be 50%, at least."

Mr. White said, "The only question I had in mind is that it seems we are going to get into a duplication of services - one for the Utilities Commission and one for the general government of the City."

Mr. O'Laughlin stated, "When you say we, what are you talking about, Mr. White? The City of Fort Pierce won't be doing anything with the Utilities Commission."

Mr. White explained, "You will have the Utilities Commission on one side with a manager, the warehouse, with rolling stock, and the City of Fort Pierce on the other side with a warehouse, a manager and rolling stock, just as clar as the glasses you have got on."

Mr. O'Laughlin stated, "No, it isn't."

Mr. White said, "By duplication of services I mean that we have a City Manager now. How much do you propose to pay this manager?"

Mr. Enns said, "The salary of the manager of the Utilities Commission would be somewhere in the $12,000 to $13,000 range which is what was proposed anyway. This manager is in addition to the City Manager, according to the budget recommendation.

Mr. Nelson stated, "I have no questions."

Mr. Evert Young commented, "I have heard this problem after a fashion trashed out in a certain city and I caution you in this area. You think very carefully in regard to your ground rules, you might say, and how you will apportion the income and payment to theCity from this. In orther words, think down the road 20 to 25 years hence to what a 50% figure would do to you or 40% or whatever it is. Are you straining this utility? Forcing the utility to have to increase its electric rates in order to meet its requirements to the City. You want to serve your customers with as ample amount of power as you can, with efficiency, and the lowest price you can. Stake your ground rules out and work it out with these cities on both sides, the City Commission who are living with these things and have a budget of their own, and also the Utilities Commission who have these stringent rules that have been imposed upon them in many years past."

Mr. O'Laughlin pointed out, "I think Orlando did make some changes."

Mr. Young said, "They have made changes within a year."

Mr. Enns explained, "I think there was a test case over there which was resolved to the satisfaction of everybody concerned. That was contained in Mr. Stanton's letter. I would wish to publically thank Mr. Stanton's courtesy because I do think his letter represented quite carefully and comprehensively an approach to the whole problem and he tried his best to give us the advantage of his experience over there. At the present time in the City of Orlando it seems to be a very constant feeling that the 50%, and slightly over 50% as I recall, which they are turning over to the City of Orlando at the present time is covering right around from 33 to 36% of the city's operating cost. I am quite sure this is a sizeable contribution, and I am referring again to what constitutes a figure of which you take 50% of net profits and that is after

setting up the profit depreciation schedule and schedule of all bond reserves. That is all spelled out."

Dr. Dannahower asked, "Did your committee compare the rates of Orlando with Fort Pierce and what did you find? Are they comparable, higher, lower?"

Mr. Enns reported, "The rate that youhad which I missed and which I am going to not enjoy anymore for I never realized that you got down below cost on your rates that you were putting out down to 1.2. If you had retained that 1.2 for over 2,000 KW consumption, I think that you would have to admit that our rate here was below. I understand that you are putting your rates back to 1.5. Is that correct? (Dr. Dannahower said there is quite a revision being made.) If you put it back to 1.5 I think you will find the city of Orlando or the Orlando rates are slightly lower. They only go to a minimum of 1.5, but you reach 1.5 after the use of 200 KW. The first 50 is at 6.25¢, and the next 150 KW at 3¢, and then it drops down to 1.5¢, so that they would be slightly lower on the basis of reaching their minimum more quickly with only two steps in between, the original step and then the 150 step and then you have it down to your minimum rate. So it would give you a slightly lower rate on that basis although you would have the same minimum."

Dr. Dannahower asked, "You don't have anything comparing Sebring or Key West or other Utilities Commissions with the Fort Pierce operation?"

Mr. Enns said, "No, because we are firmly convinced in our own mind that we have the physical plant here and we have the men in operation of the plant and if you chose, which we hope you would, to go to the Utilities Commission form of government that we could definitely approach within a relatively short length of time the type of operations they have in Orlando. I am interested in comparing Fort Pierce only with the best, andnot what might be second best. Frankly, I don't know what the others are, but I think Orlando is the best."

Mr. Enns said, "There is one other thing which I would like to point out, which we considered on the committee that is very important. The Orlando Utilities Commission in promoting the use of power has gotten their annual consumption for residential customers up to 6,995 KW a year, and that is compared to 4,350 here. That is in our opinion one of the things which can be done in the City of Fort Pierce."

Dr. Dannahower asked, "Since you brought that up on Page 15 of your report, you talked about merchandising. Does your committee feel then that the Home Service Department is something that should be reactivated and utilized, or a department similar?"

Mr. Enns said, "The Committee contented itself with only one thing. To make a recommendation as to whether or not we felt that a Utilities Commission would serve Fort Pierce well. We so believe. Now as to what that Utilities Commission would do after it got in, it is hardly within the providence of the Committee to go into that at the present time. Personally, I would say this. That anything which can be done in the way of sound side promotion to promote the use of the utilities whether it be electric power or gas (we don't want to promote too much use of water at the present time) we should do it. It means more money for Fort Pierce. It means more money into the general fund and it eventually means more benefit to the people who are using our services. It was not with the idea of making any specific proposal, but simply with the idea that good promotion would increase the use of utilities and be good for Fort Pierce and its people. Orlando Utilities Commission came into being in 1923."

Mr. White asked, "Mr. Enns, if the Commission decided that they wanted a Utilities Commission, woudl you think that this should go before the people that they should vote on it?"

Mr. Enns said, "It is my opinion that it would be rather difficult to make an improtant decision of that kind without submitting it to the people. I think you gentlemen might have the authority to do it, but certainly if it is good, the people will recommend it. They would favor it. May I ask what would be your opinion?"

Mr. White stated, "I think it should come before the people."

Dr. Dannahower asked, "Doesn't the Charter give us authority to do this subject to a referendum, Mr. Enns?"

Mr. Enns replied, "I can't tell you. I know it gives you the authority to do it. In my recollection, it is subject to a referendum. I am not sure about that. It should be done whether it is there or not."

Mr. O'Laughlin stated, "It is subject to a referendum. That is correct."

Dr. Dannahower asked Mr. Willes, "If that were the decision and it were submitted to a vote, would the ground rules and the ordinances be passed prior to an election, or would this be done after an election?"

Mr. O'Laughlin stated, "There doesn't have to be an election. You can have a special referendum vote. It wouldn't have to be at the time of an election."

Mr. Willes said, "I would assumethat you would set these ground rules and everything so the people would know and they would vote on that."

Mr. Enns advised, "On that it was Mr. Stanton's suggestion, and it seemed like a good one to the Committee, this thing has been worried about from time to time. The City of Winter Garden had this same matter, but in Mr. Stanton's opinion they had the best proposed ordinance for the setup of such an operation that has yet been drawn up. It would certainly behoove all of us, Commission or anybody else who might be interested in it, to secure a copy of that. We have written for it. It has not come in as yet, but that would be the sort of thing which should be submitted to the people because they can hardly be expected to vote intelligently or vote at all on something which is not concrete and specific."

Mr. Willes advised, "It would have to be concrete and specific."

Mr. O'Laughlin stated, "I have no further questions. I certainly do appreciate you all coming in here, and I would like at this time to pass down to City Clerk, Item b."

The following resolution was introduced by Mr. Nelson, who moved its adoption, same being seconded by Dr. Dannahower:

R E S O L U T I O N

NO. 2593

WHEREAS, the Utility Fact Finding Committee has submitted recommendations as to the advisability of establishing a Utilities Commission for the City of Fort Pierce, and

WHEREAS, the study and recommendations are most comprehensive in scope and evidence many hours of untiring efforts on the part of the members of said Committee and the unstinted giving of their time,

NOW THEREFORE BE IT RESOLVED By the City Commission of the City of Fort Pierce, Florida, in regular session assembled, as follows:

1. That the City Commission, as a record of appreciation, express its gratitude to Joseph Ciocca, H. T. Enns, Jr., Mortimer A. Beck, W. G. Padrick, Jr., and Walter B. Rosslow, members of the Utility Fact Finding Committee, for their untiring efforts in the compilation and presentation of their report and recommendations.

2. That this Resolution be spread upon the minutes of the City Commission and that a copy be inscribed and presented to each member of the said Utility Fact Finding Committee.

Mr. White commented, "I certainly appreciate what these men have done and I know it has taken up a lot of their valuable time."

Mr. O'Laughlin stated, "I am sure we all share the same feeling, and I do commend you very highly for your efforts and I hope that is not the end of it."

Mr. Harding advised that in view of our change in meeting, we might like to consider some changes in the agenda that will work with this. This will be discussed next week.

Mr. O'Laughlin asked if the water line for Agnes Hibshman had not come before the Commission before, and Mr. Harding advised at that time we advised her that we would not be able to connect her on to the system because the water main to which she would be connected had not been received by the City. Under a resolution tonight, we have acceptance of the Bill of Sale from Midwest Mortgage Corporation and that would be running near her property and she could be connected easily. This is property that is outside the city, but I think the feeling was that the Commission would agree to a connection here because the water main was there and it seemed the logical thing to do.

Dr. Dannahower asked, "Didn't we just have to move a water main off of some property on Sunrise that was in the City limits, contiguous with the City limits, that we denied them water, Mr. Harding?"

Mr. Harding reported, "Yes that is true. That was Jay Sample on Trinidad. I think this Hibshman property is not contiguous to the City and cannot be annexed."

Mr. Skinner stated, "As you recall, this is only one block that Midwest Mortgage had control over and we granted water to them. This one block is part of the first block that is not part of the subdivision. This is property at 25th Street and Cortez Boulevard."

Mr. Willes reported, "I have checked out the Red Cross request for waiving the Utility Tax. The building where the Red Cross is situated belongs to the National Red Cross which is created by Congress and is considered a federal agency. In view of that fact under sub-section C, of Section 192.62, it is my opinion that they are entitled to an exemption."

Mr. White asked, "Don't we include this to our churches?" Mr. Willes advised they are listed specifically in it. This is a governmental agency that is doing a public service, and it is my opinion that the Red Cross comes under that. Churches are specifically exempt under the state law, under sub-section a."

Motion was made by Mr. White, seconded by Dr. Dannahower that the Red Cross be exempt from payment of the 10% utility tax and 1½% state tax beginning with the June statement. Motion was unanimously carried.

Mr. Harding reported with regard to TV cablevision, the Commission some time ago asked me to try and negotiate further with them regarding the crossing of the river using the new towers. They have indicated to Mr. Willes that they would be willing to pay $600 per year which is as far as they will go. The time before the Commission had an offer of $500 per year and we have been able to bring it up $100. As far as we can determine, that is far as they are going to go. For the pole rental on the beach, there will be approximately 200 or 300 connections at $2 per pole.

Mr. Nelson advised, "Having gone through the file on cablevision and not being an attorney I have to ask Mr. Willes whether there is any possibility of amending the agreement to require that Cablevision give as good a picture as is received by the antenna without cablevision. I find one paragraph that says, 'The Company shall during the entire life of this franchise be subject to all lawful exercise of the police power of the City and to such reasonable regulations as the City shall hereafter by ordinance provide.'"

Mr. Willes commented, "It also provides that they must furnish adequate service or something to that extent. It would require a good picture."

Mr. Nelson continued, "The television dealers are of the opinion that a monitoring system whereby a comparison would be made between antenna reception and cablevision would determine at all times whether or not they were giving a picture as good as they could get without cablevision."

Motion was made by Mr. Nelson, that the City Commission approve the establishment by the local television dealers of a permanent monitoring station for the comparison of television reception by aerial and by cablevision. Said monitoring station be located in the City Utility Building at 206 S. 6th Street or at such other location as may be agreed upon by the television dealers and the cablevision corporation, and that such monitoring station be established and maintained by the television dealers at no cost to the City of Fort Pierce. Motion was seconded by Dr. Dannahower.

Mr. Willes advised, "I don't think you can legally require them to do that. I will check it out."

Motion was made by Dr. Dannahower, seconded by Mr. White and unanimously carried that this matter be tabled for one week.

Motion was made by Dr. Dannahower, seconded by Mr. White and unanimously carried that the offer for the use of the river crossing by Florida Cablevision Corporation in the amount of $600 annually be accepted.

Mr. Willes stated they have a non-exclusive franchise and this would follow the same pattern. The length of time would be the same as the rest of their contract. He recommended a non-exclusive franchise, and will have the contract and resolution for next week.

The following resolution was introduced by Mr. White, who moved its adoption, same being seconded by Dr. Dannahower:

R E S O L U T I O N

NO. 2592

BE IT RESOLVED By the City Commission of the City of Fort Pierce, Florida, in regular session assembled, that the City accept the Bill of Sale from the Midwest Mortgage Company to the entire water distribution system and distribution lines, mains and appurtenances located and contained in the dedicated streets and dedicated easement areas of the South 25th Street Subdivision in St. Lucie County, Florida, as per the plat thereof recorded in Plat Book 10 at Page 19, public records of St. Lucie County, Florida.

Those voting in favor of the adoption of Resolution No. 2592 were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

Mr. White stated that he felt 16 years is all right but it is a long time. In consideration of the other contract, he will vote for it.

The following resolution was introduced by Mr. White, who moved its adoption, same being seconded by Mr. Nelson:

R E S O L U T I O N

NO. 2594

BE IT RESOLVED By the City Commission of the City of Fort Pierce, in regular session assembled, that the Mayor-Commissioner and Clerk be and they are hereby authorized and directed to execute a contract with Major Electrical Supplies, Inc., in the amount of $6,184.00.

Those voting in favor of the adoption of Resolution No. 2594 were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

The following resolution was introduced by Mr. White, who moved its adoption, same being seconded by Mr. Nelson:

R E S O L U T I O N

NO. 2595

BE IT RESOLVED By the City Commission of the City of Fort Pierce, Florida, in regular session assembled, that the Mayor-Commissioner and Clerk be and they are hereby authorized and directed to execute a contract with Hughes Supply, Inc., in the amount of $636.00.

Those voting in favor of the adoption of Resolution No. 2595 were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

Motion was made by Dr. Dannahower, seconded by Mr. White and unanimously carried that Ordinance No. E-200 be placed on first reading, read by title only, and posted for a period of one week.

Ordinance No. E-200 entitled, "AN ORDINANCE EXTENDING THE TERRITORIAL LIMITS OF THE CITY OF FORT PIERCE TO INCLUDE THE SW$\frac{1}{4}$ OF THE NE$\frac{1}{4}$, OF THE SW$\frac{1}{4}$, SECTION 8, TOWNSHIP 35 SOUTH, RANGE 40 EAST, LYING AND BEING IN ST. LUCIE COUNTY, FLOIRDA, TOGETHER WITH THE IMPROVEMENTS THEREON, CONTAINING NINE ACRES, MORE OR LESS, LESS AND EXCEPTING THE FOLLOWING: (1) BEGINNING AT A CONCRETE MONUMENT ON THE NORTH LINE OF DELAWARE AVENUE EXTENDED 30 FEET NORTH, 910.2 FEET WEST OF THE SOUTHEAST CORNER OF THE NE$\frac{1}{4}$ OF THE SW$\frac{1}{4}$ OF SECTION 8, TOWNSHIP 35 SOUTH, RANGE 40 EAST, NORTH 150 FEET; THENCE EAST PARALLEL TO THE NORTH LINE OF DELAWARE AVENUE A DISTANCE OF 124.6 FEET, THENCE SOUTH 150 FEET TO THE NORTH LINE OF DELAWARE AVENUE; THENCE WEST 124.6 FEET TO THE POINT OF BEGINNING; AND (2) BEGINNING AT A CONCRETE MONUMENT ON THE NORTH LINE OF DELAWARE AVENUE EXTENDED 30 FEET NORTH, 910.2 FEET WEST OF THE SOUTHEAST CORNER OF THE NE$\frac{1}{4}$ OF THE SW$\frac{1}{4}$ OF SECTION 8, TOWNSHIP 35 SOUTH, RANGE 40 EAST, NORTH 150 FEET TO A CONCRETE MONUMENT; THENCE WEST PARALLEL TO THE NORTH LINE OF DELAWARE AVENUE A DISTANCE OF 150 FEET; THENCE SOUTH 150 FEET TO THE SAID NORTH LINE OF DELAWARE AVENUE; THENCE EAST ALONG THE NORTH LINE OF DELAWARE AVENUE 150 FEET TO THE POINT OF BEGINNING; ALSO: THE SE$\frac{1}{4}$ OF THE NE$\frac{1}{4}$ OF THE SW$\frac{1}{4}$ OF SECTION 8, TOWNSHIP 35 SOUTH, RANGE 40 EAST, LYING AND BEING IN ST. LUCIE COUNTY, FLORIDA, CONTAINING TEN ACRES MORE OR LESS, INCLUDING DEDICATED ROAD RIGHT-OF-WAYS; DIRECTING THE TAX ASSESSOR OF ST. LUCIE COUNTY, FLORIDA, TO ASSESS SAID PROPERTY AND PLACE IT ON THE TAX ROLLS FOR THE YEAR 1965 AND SUBSEQUENT YEARS; DIRECTING THE TAX COLLECTOR OF ST. LUCIE COUNTY, FLORIDA, TO COLLECT THE TAXES ON THE SAID LAND AS ASSESSED BY THE COUNTY TAX ASSESSOR FOR THE CITY OF FORT PIERCE, FOR THE YEARS 1965 AND SUBSEQUENT YEARS; DIRECTING THE PUBLICATION OF THIS ORDINANCE FOR A PERIOD OF FOUR WEEKS AFTER ITS ADOPTION AND THE POSTING OF THREE PRINTED COPIES OF SAID ORDINANCE IN A CONSPICUOUS PLACE IN THE CITY HALL OF THE CITY OF FORT PIERCE, AND THREE CONSPICUOUS PLACES ON THE TRACT HEREINBEFORE DESCRIBED; ZONING SAID LANDS R-7 RESIDENTIAL DISTRICT; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR THE EFFECTIVE DATE HEREOF." was placed on first reading and read by title only. Motion was made by Mr. White, seconded by Dr. Dannahower that Ordinance No. E-200 be passed on first reading. Those voting in favor of the passage of Ordinance No. E-200 on first reading were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

July 6, 1964

Mr. Huskey reported that Ordinance No. E-199 entitled, "AN ORDINANCE AMENDING ORDINANCE E-136 ADOPTED JUNE 11, 1962, ESTABLISHING POLICIES FOR THE OPERATION OF THE ELECTRICAL DISTRIBUTION SYSTEM OF THE CITY OF FORT PIERCE, BY STRIKING FROM SECTION 2 OF SAID ORDINANCE ALL OF "A-DOMESTIC ELECTRIC SERVICE" AND ALL OF "B-DOMESTIC ELECTRIC SERVICE' AND INSERTING IN LIEU THEREOF A NEW SECTION; AND BY ADDING IN SECTION 2, C-COMMERCIAL ELECTRIC SERVICE, MONTHLY RATE, IMMEDIATELY FOLLOWING "INDUSTRIAL RATE APPLIES" THE WORDS "ONLY FOR SUCH MONTH WHEN CUSTOMER USE EXCEEDS 100,000 KWH"; AND BY STRIKING IN SECTION 2, D-INDUSTRIAL ELECTRIC SERVICE, IN THE FIRST LINE, THE FOLLOWING: "LARGE COMMERCIAL AND"; AND BY STRIKING IN SECTION 5, PARAGRAPH NO. 13, "A-$15.00; B" AND INSERTING IN LIEU THEREOF "R"; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR THE EFFECTIVE DATE HEREOF." has been posted at the City Hall and Municipal Court Room for the period of one week. Ordinance No. E-199 was placed on second and final reading and read by title only. Motion was made by Mr. White, seconded by Dr. Dannahower that Ordinance No. E-199 be passed on second reading. Those voting in favor of the passage of Ordinance No. E-199 on second and final reading were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

Motion was made by Mr. Nelson, seconded by Mr. White and unanimously carried that bills in the amount of $18,452.20 be approved for payment.

Mr. Nelson recommended Mr. Clarence B. Ordway, American Oil, Mr. W. B. Moffat, Atlantic Equipment and Mr. Lee L. Smith, Florida State Employment Service, for members of the committee to study advisability of law governing boat traffic, operation and control.

Mr. Nelson said his thinking on this Committee is that they come up with a recommendation after having talked with the Coast Guard, and City Attorney and see if there is any legal ramification. Based on what they determine and what Mr. Willes advises them, that they make a recommendation.

Mr. O'Laughlin reported that the American Municipal Congress will be held in Miami Beach, July 25-59, 1964, and he will attend as an alternate voting delegate. Other Commissioners wishing to attend may do so.

Motion was made by Mr. White, seconded by Mr. Nelson that the City Attorney prepare a resolution granting Mrs. Agnes Hibshman permission to hook on the water line down 25th Street. Motion was carried unanimously.

Mr. White stated, "After reading tonight's News Tribune and seeing the nice letter in there that people wrote about the beach, if we spent as much money as we have cleaning up the City of Fort Pierce, I would like for Mr. Harding to look into the possibility, even if he has to hire a person, to keep seaweed off of South Beach in some kind of way. They had some last night. I am not thinking of money. I am thinking of what we have all discussed quite a few times of getting tourists to come to Fort Pierce and enjoy the beach that we do have."

Mr. O'Laughlin said, "I think having read the letter, I am assuming that what you are looking for is a daily cleanup program. It gets pretty messy, and when I walk down there I can see why people would be a bit concerned."

Mr. White said, "I am referring to seaweed, beer cans, etc.."

Mr. O'Laughlin pointed out, "Seaweed is something that you had better just sit back and pray that you do not have the wrong kind of a wind."

Mr. Harding commented, "We will look into the seaweed and the other problem and we can take action with what we have, and if we can't we will come back and tell you what the problem is."

Mr. O'Laughlin suggested, "One of the problems is we had better have some pretty close patrol on that beach. That is one of the quickest ways to stop that beer can business. Every time somebody drops one, tap them on the shoulder. We went over and put receptacles over there and nobody uses them that I can see. They just leave their debris and walk off. I would like to have you check into that and give us a report next week."

Dr. Dannahower asked Mr. Harding, "Did someone discuss with Dickerson about this request from Mr. Piowaty? Has there been any action on that?"

Mr. Lewis replied, "I have talked informally with the superintendent of Dickerson who indicated that they will schedule it as quickly as possible."

Dr. Dannahower made a motion that the City Attorney be instructed to prepare a resolution commending the Dan McCarty High School Band on its performance at the World's Fair. Mr. White seconded the motion. Those voting in favor of the motion were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

Dr. Dannahower said, "We have a report from our right-of-way agent and he is getting approvals of these right-of-way parcels, but I don't see anything about his deeds. When is he going to start getting deeds?"

Mr. Willes reported, "Mr. Lewis came to his office just before he left for Miami with the names and legal descriptions and I will have to check them out and see who owns them, if there are any liens on them, etc., as quickly as possible. It would be better to handle all the condemnations at one trial. To date there are five condemnations on the report, and twenty-three parcels ready for deeds.

Mr. O'Laughlin stated he thinks the City Manager and City Attorney should be authorized to get help on title searches before he can accept title to these parcels.

Mr. Willes advised title searches will be about $15.00 each.

Motion was made by Mr. Nelson, seconded by Dr. Dannahower and unanimously carried that we authorize the City Attorney to order title searches on all pieces of property on whcih there have been agreements between our right-of-way man and the property owner, at a maximum cost of $15.00 per parcel.

Dr. Dannahower asked Mr. Harding, "Several months ago we agreed to purchase for the Building Inspector some additional radios to give him the actual extent of hiring another person so as to increase his efficiency

that much. This came about because we were concerned that condemnations were not proceeding at all like we thought they should. I wonder if there have been any condemnations. I have seen some that should be but they do not have red stickers on them."

Mr. Harding said, "I cannot answer about the condemnations, but the purchasing agent is writing specifications now so the radios can be rebid. They changed the arrangement from the original thought and we are now buying equipment so the girl in the Public Works Office can act as a central radio receiving office for both the Department of Public Works and the Building Office with a microphone extension into the Building Office. We went out for bids on these radios once and the problem was that one company could not bid. When we took back the specifications and re-examined them, we thought of a better way to meet the radio problem."

Mr. O 'Laughlin stated, "That is a long time to be writing specifications. Let's get the radios as we have a lot of condemnations."

Dr. Dannahower requested a list of what has been done on the condemnation problem in the last three months.

Mr. O'Laughlin asked that the Commission give some thought to the wasted space in the Utilities Building.

Mr. White pointed out he has a copy of a letter from M. E. Morris stating the Rotary Club is still interested in some of the Lawnwood property for use as a park. Mr. O'Laughlin asked that a copy of this letter be sent to Mr. Kelly, Planning Director, to see if action can be taken on it.

There being no further business, upon motion duly made, seconded and carried, the meeting adjourned.

Adjournment
ATTEST:

D. C. Huskey
CITY CLERK

L. O'Laughlin Jr.
MAYOR-COMMISSIONER

MINUTES OF A REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE MUNICIPAL COURT ROOM, 435 NORTH SEVENTH STREET, FORT PIERCE, FLORIDA, ON MONDAY, JULY 13, 1964 AT 7:30 P.M.

Those present: Mayor O'Laughlin, Commissioners Dannahower, Nelson, Starratt and White; City Manager Harding, City Attorney Willes, Director of Finance Huskey, Chief Christianson and Mrs. Grisso, Secretary.

Mayor O'Laughlin called the meeting to order.

Opening prayer was given by Reverend Ingram Parmley.

Motion was made by Mr. White, seconded by Dr. Dannahower, that minutes of the regular meeting of July 6, 1964, be approved. Those voting in favor of approving the minutes were: Messrs. Dannahower, Nelson, White and O'Laughlin. Mr. Starratt abstained as he was absent from the meeting of July 6, 1964. Those opposed: none.

Mr. Samuel E. Shelsky, of the firm of Samuel E. Shelsky Associates, Inc., Marina Planning Consultants with offices at 38 - 60th Street, New York, New York, and 2190 S.E. 17th Street, Fort Lauderdale, Florida, said, "Our prime business is one of rendering a professional service in the planning of Marinas. I visited your water front property today and took in an area of eight miles to the north and south of the pier, and out to the beach." He gave a resume of his activities beginning with his arrival in Fort Lauderdale in 1949.

Mr. Shelsky continued, "At the present itme we are involved in developing three programs, one in San Juan, Puerto Rico, Boca Grande, Florida, and one in Lake Pontchatrain, Louisiana, all three multi-million dollar contracts. We have conpleted a Marina in Freeport, Bahamas and a small facility for the Nassau Beach Hotel. This is our field of endeavor. We strive to proposa programs that are economically feasible on criteria that we develop so that the marina will be self-sustaining. A marina today must have some income-producing components. Most communities are taking advantage of their waterfront resources, and many are talking steps of improvement. City of Miami has earmarked 2½ million dollars to the development of a program for the ensuing years. Fort Lauderdale's program will cost in the vicinity of 8 million dollars. I give you these items to show you what can be done."

Mr. Shelsky further stated, "The City of Fort Pierce has facilities in a strategic location and has long been established as a location for transient traffic and boating traffic and has enjoyed a good reputation; however, the facilities there are beginning to degrade, so what can be done? As I see it you have every right to rehabilitate that facility. The scope of it is something that has to be determined. Fort Pierce should first entertain a feasibility study to ascertain what is needed and to what extent. I have seen too many programs that were not given creative thought. There is only one way of looking at it. Your investment must amortize itself - must sustain itself."

Dr. Dannahower inquired, "How long would the feasibility study take and can you give us at this time an estimate of the cost of the study?"

Mr. Shelsky answered, "It would take five to six months. Our costs are 1% on the bid construction. It generally follows a pattern; for instance, we all have engineers and architects in specific areas and it is that much more time-consuming for us to be traveling back and forth to different areas allying with professional services within the City involved. That is professional services above the fee. I am not here to solicit work, I hope I am considered, but in view of the three programs that we are involved in at the present time, it would be at least sixty days before any attempt could be made on our part."

Dr. Dannahower asked, "On the feasibility study do you consider the number of boats that have been docked. What goes into this feasibility study?"

Mr. Shelsky answered, "Commissioner, the feasibility on the water front program is rather costly in that it

MINUTES OF A SPECIAL MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, THE CITIZENS' ADVISORY COMMITTEE OF THE CITY OF FORT PIERCE, FLORIDA, AND REPRESENTATIVES OF FLORIDA MUNICIPAL UTILITIES ASSOCIATION, HELD IN THE MUNICIPAL COURTROOM, 435 NORTH SEVENTH STREET, FORT PIERCE, FLORIDA, ON TUESDAY, AUGUST 24, 1971 AT 7:30 P.M.

Those present: Mayor Pro-tem Nelson, Commissioners Caynon and Padrick; City Manager Davis, City Attorney Brown and Deputy City Clerk Lowry. Those excused: City Clerk James. Those absent: Mayor Summerlin and Commissioner Lait. (Mayor Summerlin and Commissioner Lait were excused from this special meeting by motion on August 25, 1971).

Also present: Members of the Citizens' Advisory Committee, Chairman Millar, Members Bembry, Brown, Holtsburg, Kane, Myers, Crist, Newbern, Saraduke and Longino; and Representatives of Florida Municipal Utilities Association: Mac Cunningham and Attorney Tracy Danese.

Mayor Pro-tem Nelson called the meeting to order, and recognized Mr. Hudson C. Millar, Jr., Chairman of the Citizens' Advisory Committee, as the first speaker.

Mr. Hudson C. Millar, Jr., Chairman of the Citizens' Advisory Committee, read his statement, as follows:

"The members of the Citizens Advisory Committee, as appointed by the Mayor and elected by you, the City Commissioners, serve without pay or other compensation, often spend their own monies in phone calls, gasoline, use of the offices, supplies and secretaries of their various businesses, and give their time, all for one purpose - to study and analyze the problems facing our city and community and to make recommendations for its betterment to either you or the City Manager, or both of you.

We have another function, in that H.U.D. requires each city to maintain an active Citizens Advisory Committee in order to gain approval of the workable program, thus no federal funds for improvements or other projects through H.U.D. would be forthcoming to the City of Fort Pierce unless the city maintains such a committee.

H.U.D. further recommends that the Citizens Advisory Committee, after it studies a need of the community and formulates a plan of action, actively campaigns in the community in support of their recommendations.

For the past five months the Citizens Advisory Committee, has undertaken a study of the feasibility of a Utilities Authority for the City of Fort Pierce. This report will hopefully be presented to you this week. As part of our study, we reviewed the work being done by the Fuels Committee of the Florida Municipal Utilities Association. As a result, our committee submitted to you two resolutions both of which called for strong unilateral legal action on behalf of the people of Fort Pierce, who are suffering from having to pay monstrous light bills.

We pointed out in our resolutions that it was our opinion that the attorneys for the Fuels Committee of the F.M.U.A., in whose costs Fort Pierce has participated to the sum of some $10,000 or more, were scatter-shooting instead of pursuing direct legal action to seek relief for the citizens of Fort Pierce. During the nine months the F.M.U.A. has employed Mr. George Spiegel, a Washington attorney who specializes in power cases, no suit has been filed by him before a Florida Court seeking to void the contract between the City of Fort Pierce and Florida Gas Transmission, no suit has been filed by

him in the Federal Courts seeking trebble damages under the Anti-Trust Laws. No complaint has been filed by him with the Federal Power Commission requesting a hearing and challenging the right of Florida Gas Transmission or its parent, Florida Gas Company to hook the price of gas to fuel oil, no complaint has been filed by him before the Florida Public Service Commission on similar grounds.

Instead, Mr. Spiegel has chosen to file as an intervenor in three cases, that is asking for permission to enter a case already before the government body. There is nothing wrong with this action, but it is a skirmish instead of a main engagement. If Mr. Spiegel had filed as an intervenor in these three cases in addition to filing a suit in the Florida Courts, in addition to filing suit under that Anti-Trust Laws in Federal Court, in addition to filing a complaint to seek relief under both the Federal Power Commission and the Florida Public Service Commission, the Citizens Advisory Committee would have no grounds to compalin.

Let's look at the results. Mr. Spiegel filed as an intervenor before the Federal Power Commission, opposing Florida Gas Transmission's petition to enlarge its facilities. The hearing examiner quickly ruled that Mr. Spiegel's petition was the wrong forum and that he should file a complaint before the Federal Power Commission if he sought relief for his clients. Mr. Spiegel filed a petition as an intervenor before the Federal Power Commission to intervene in Humble Oil's request to increase its Florida Jay field sales and to transport gas to Louisiana. Obviously the main thrust of this case is to prevent Florida Natural Gas from being transported out of the state, itself a very worth cause. I don't believe the hearing examiner has rendered a decision in this application of the Fuels Committee. At least our committee has not seen such a report. However, it should not be very difficult to prognosticate the examiner's decision in regards to the contract calling for the price of gas to be hooked to fuel oil. It will undoubtedly be the same as in the former petition, the wrong forum.

But this doesn't end Mr. Spiegel's strategy. As we understand it, he is now preparing to file an appeal before the U. S. Court of Appeals in the District of Columbia. Obviously this was his aim all along. Admittedly no one knows what the judges on this court will do. At times they seem to not only bend the law, but to rewrite it to suit their own personal, sociological, economic and philosophies, at least I have found that to be so in regards to the Communications Act. There is a chance that this U.S. Court of Appeals could reverse the Federal Power Commission, who will undoubtedly uphold the decision of their examiners. Still, this action is a long shot, and as we have said, if it was part of the total action, it would be commendable, but as the main action, it is questionable.

Perhaps the most important work Mr. Spiegel has performed for the Fuels Committee is in helping prepare and guide legislation through the Florida Legislature. We have no idea of how much work he performed in this area. However, if he performed substantial work, then in our opinion, he is properly paid. On the other hand, if he only drew up the proposed legislative revisions and acts and only filed three petitions, two unsuccessfully and one still pending, it is our opinion that his $25,000 fee during the past nine months is excessive and he is overpaid, certainly in comparison to attorneys who practice before the Federal Communications Commission and the Securities Exchange Commission as employed by our firm, and assure you we employ among the largest and best in the land.

The Citizens Advisory Committee is not opposed to the City of Fort

Pierce remaining in association with the Fuels Committee in the employment of Mr. Spiegel. In fact, we recommended that besides hiring competent attorneys to fight our own battle, that we either terminate participation with the Fuels Committee or continue, for such value as will be received, which we must admit could be substantial. We must ask, however, why Mr. Spiegel didn't file a similar case in the Florida Courts, as is now being filed by our Attorney General, Mr. Shevin. If Mr. Shevin feels he has a sufficient case, why then did not Mr. Spiegel and the Fuel's Committee feel they had a sufficient case nine months ago. Another thing, we are not challenging Mr. Spiegel's competence. His past record of excellency in this field speaks for itself. We are only submitting that our direct employment of Mr. Spiegel or a similar competent attorney to represent the City of Fort Pierce would have a better and quicker chance of bringing us relief. How do we know the politics of the other participating cities and the restraints they have placed or will place on the Fuels Committee and Mr. Spiegel's actions, nor how active these cities will be in commanding Mr. Spiegel's time and attention to the cases.

This brings us to the crux of the situation. The people of Fort Pierce want relief from their monsterous electric bills. They don't want skirmishes. They want head on, hard fighting action. They want every avenue explored and exploited, not next year, not six months from now, but right now. They want and are entitled to a suit being filed in the courts of Florida.

Where, we must ask, are you going to find more friendly judges? It would appear that if there is any basis of civil law to break the contract between Fort Pierce and Florida Gas Transmission, this is the arena where the battle should first be fought. We should ask the Florida courts to order Florida Gas Transmission Company to set aside in a special bank account all funds charged on fuel escalation beyond a certain date, pending the outcome of the suit. Should we win in the lower courts, then the burden of proof would be on Florida Gas Transmission Company, and we just might be surprised to see a change in their greedy, money-grabbing hearts and the offer of a reasonable gas contract, as it is not unusual to settle suits out of court. And we might add here, - that no one is going to fight your battles for you, like you will fight them for yourselves. It is well known that the client of an attorney, who gets the action is the one who bugs him the most. If we, the City of Fort Pierce, are that client and not an association representing, it makes sense that we are the ones who will get the action we need and must demand, to give relief to our people.

The Citizens Advisory Committee recommends the immediate employment of a hard fighting Florida Attorney and a hard fighting Washington attorney, the latter authorized to practice before the Federal Power Commission, and that said attorneys be instructed to file a suit in Florida Courts to break the contract for natural gas as hooked to the price of fuel between Fort Pierce and Florida Gas Transmission, as well as to seek damages. And furthermore to file a second suit in Federal Court under the Anti-Trust Laws to seek triple damages. And in addition, to file complaints and to seek a hearing before the Federal Power Commission and the Florida Public Service Commission to force Florida Gas Transmission to refund all monies for charges based upon the price of gas being hooked to the price of fuel oil and to order Florida Gas Transmission to issue new contracts based solely upon the cost of buying gas at the well head, the cost of transporting said gas and a reasonable profit thereon, without discrimination against one utility and deity as to another. Any such action won't be a short battle. It could take years. But the longer we put off starting the main battle, the

longer away is relief. The jackpot, gentlemen, is damages - refunds to our people who are paying those monsterous light bills. Sure it's going to cost money for the best attorneys. But the people are entitled to whatever it costs to make whatever effort it takes to break the contract with Florida Gas Transmission and to recover damages. The City owes it to the people to tighten its belt and practice an austerity program, if necessary, to take this kind of action.

Now, there is one other thing that the Citizens Advisory Committee is forced to bring up at this time. The Executive Director of the Florida Gas Municipal Utilities Association, Mr. Mac Cunningham, came to our fair city of Fort Pierce last week and cast public remarks of a disparaging nature of the members of the Citizens Advisory Committee. Mr. Cunningham's avid belief in the work of the fuels committee and his wrath at the challenge of the Fort Pierce Citizens Advisory Committee is certainly understandable. But, in our opinion that doesn't give Mr. Cunningham the right to come over to Fort Pierce and attack the motives and question the sincerity of the members of the Fort Pierce Citizens Advisory Committee, who as we previously stated, serve without compensation and freely give their time and often certain of their monies to seek to build a better community. Mr. Cunningham stated publicly, which was carried over a local radio station and we not only quote him, but with the use of modern technology, hereby play for you a tape of Mr. Cunningham's exact words:

(TAPE)

'The news reporter on the tape, stated the Executive Vice President of the Florida Municipal Utilities Association, Mr. Mac Cunningham, today spoke to the Southside Kiwanis Club of Fort Pierce on the fuel escalation that seven cities are fighting in Florida. Treasure Coast news asked Mr. Cunningham how much longer that fight may go on before it is resolved. Mr. Cunningham replied, 'It will be a long process. It might take a year or two'. The reporter said with that in mind, they asked his opinion of the advisability of individual cities getting their own attorney in Washington to fight it. He expressed surprise that anyone would seriously consider that, and quoted a case of some ten cities three or four years ago, that individually couldn't get anywhere in a rate battle with Florida Power & Light. They then banned together, got themselves a savings of some five million dollars in a three year contract for power through the use of one attorney, the same one the Association is using now. He quoted the Citizens' Advisory Committee report to him that recommended the individual attorney route and he commented, 'I read that too, and they overlooked, didn't know about the ten cities he (Attorney George Spiegel) represented here in wholesale electric rates. I noticed that was very conspicious by its absence. In fact, I read that report and to me it looked like one of the best, a very good sales pitch of an attorney wanting a client'.'

As Mr. William E. Myers, immediate past president of the Citizens Advisory Committee and one of its most active members, stated: 'As Mr. Millar said, we are flattered by Mr. Cunningham's remarks that he considers the work of our committee on par with that of an attorney wanting a client, but we must take exception with these remarks which impute our sincerity and motives. Gentlemen, to our knowledge not one of the members of the Citizens Advisory Committee is an attorney, nor has attended law school. None of the reports presented to you have been drawn with the aid, nor in consultation with an attorney, except from time to time, an opinion of the City

Attorney has been sought. The resolutions drawn in regards to the Fuels Committee of the Florida Municipal Utilities Association were purely the work of the members of the Citizens Advisory Committee and no attorney was consulted, nor saw the resolutions prior to their being drawn and submitted to you. We feel that Mr. Cunningham was very much out of place in his attack on the sincerity and motives of the seventeen fine members of the Citizens Advisory Committee. We furthermore question whether it is one of his duties as Executive Director of the Florida Municipal Utilities Association to attack the citizens of the cities he and his association supposedly represent. We thought the relationship was the opposite and that he was, in fact, employed by the City of Fort Pierce to represent us through our membership in the association.

Certainly Mr. Cunningham doesn't show the usual humbleness of such a relationship. We are sure that the commission realizes that an attack on the sincerity and motives of the Citizens Advisory Committee, a legally constituted body of the City of Fort Pierce, as created and elected by you, is none other than an attack on the sincerity and motives of the City of Fort Pierce itself. We, therefore, recommend, that you request Mr. Cunningham to publicaly apologize to the people of Fort Pierce and to the Citizens Advisory Committee, and should he fail to do so, that the City of Fort Pierce resign from the Florida Municipal Utilities Association.'"

Mayor Pro-tem Nelson stated he would like to ask whether or not he (Mr. Millar) believes the City of Fort Pierce should join with Attorney General Shevin in the suit he has initiated.

Mr. Millar stated he had not seen the suit, and he could not answer unless he saw a copy of the suit. He didn't know what the main thrust was.

Mayor Pro-tem Nelson remarked, "Then I would like to ask City Attorney Brown if he would look into it so he could make a recommendation."

City Attorney Brown advised he talked with a staff member of Attorney General Shevin's office today and requested he forward to him a copy of the suit. He did not want to advise the Commission that they should or should not join in the suit, if that avenue was open to them without seeing the contents of the suit. The Assistant Attorney General assured him he would send him a copy in the mail, and he was hopeful he would receive it tomorrow. As he understands it, the suit is against the Florida Gas Transmission Company and the City of Tallahassee which he believes is a member of this municipal group which Mr. Shevin represents. He will be in a better position to advise the Commission after he receives the copy. There is some possibility, and he hasn't explored this any further, that Tallahassee may seek the aid of other municipal cities that own their own plants.

Mr. Millar stated this had been discussed by their committee. Their committee avidly feels that if they can get other cities to join in a main thrust of suits being filed in Florida courts, of suits being filed in Federal courts, of complaints being filed before the Federal Power Commission and Public Service Commission in the State of Florida, then it would be all to our advantage. He didn't think they could depend on the hope the U. S. Court of Appeals might reverse the Commission or agency of the government and then set it back, say for a year.

City Attorney Brown remarked there is a possibility, which he can

not extort in detail until he sees the cotton-picking thing, but there might be some basis for the City of Fort Pierce to intervene in the suit and file a cross claim against the gas company. At least, it would shorten the time element in a way. The Assistant Attorney General with whom he had spoken today, had not been in conversation with the officials in Tallahassee as to what they claim to do. He didn't know if they would file a cross-claim or what action they would take, so he will explore that.

Mayor Pro-tem Nelson announced that Mr. Mac Cunningham had just arrived at the meeting. He came in late and did not hear all of the statement from the Citizens' Advisory Committee.

Mr. Mac Cunningham apologized for being late. As he arrived he heard his name being mentioned. He imagined the remark made had reference to the letter Mr. Millar had written to the City Commission demanding they pass a certain resolution. He had read the full epistle they sent to the City. He stated he would like to tell right now what his position is.

Mr. Millar interrupted to say, "My Committee is not interested in discussing anything with Mr. Cunningham unless he apologizes to our Committee. I'll be glad to read that section to him."

Mayor Pro-tem Nelson commented, "Mr. Cunningham, if you will allow Mr. Millar to read a section of his presentation that pretains to you, then we will continue."

Mr. Millar then read page 4, 2nd paragraph through page 5, 2nd paragraph, from his previous statement.

Mr. Cunningham replied, "Okay, now you have brought me up to date. Now, there are 34 cities in Florida that belong to the FMUA. This fuel question came up. There are eight cities involved in this fuel question. As far as the legal action, the cities finance it in proportion to the kilowatt hours they sell. The Association, on this particular case, as on our ten cities case as referred to in the letter, acts only as a clearing house. This was presented to the City Commission, and I was asked about it when I was here last week when I addressed the Kiwanis Club. I made the statement, and as a layman, I am not an attorney and I am not trying to get a client for an attorney. As you well know, the people on the radio and the newspapers kind of ask you very pointed questions. I gave them what I thought was sincere answers. It appeared to me that was what it was. You have an elected City Commission here. The City Commission has already by vote, decided to join with the other cities on this fuel negotiation, or whatever you might call it. The other cities have all stayed together. The cities can do what they please. It doesn't mean a nickle in my pocket. It doesn't mean a nickle in the Association's pocket. If the cities want to pull out and fight this thing by themselves, that's their own privilege. But the thing about it, they want to bear in mind that they are dealing with a company that has unlimited resources compared to the resources of Fort Pierce. It might cost you several hundred thousand dollars and drag on for years and years. This letter from this Committee seems to take Mr. George Spiegel to task, saying that when he represented Moore Haven, as an individual city, they got some relief there for the high rates they were charging. What I said was a very obvious oversight when mentioning that Mr. George Spiegel represented ten of our member cities that buy power wholesale from the Florida Power Corporation and they were being charged an exhorbitant rate for wholesale power compared to what the REA's were paying. The ten cities stayed together and Mr. Spiegel represented

them. The result of that was that the ten cities got back a quarter of a million dollars in gross overcharges that the power company had made, together with the wholesale power contract to save them. I think it was around three million dollars over a five year period. The City of Fort Pierce, in this fuel negotiation, is a complicated affair. I imagine even your own City Attorney, if he was going to Court on something, he wouldn't publicize the facts about the methods he was going to use, and that kind of irked me a little bit, because as I say, I am not trying to get a client for this attorney. I have seen him work before and I have seen what he has done for our members. Now, don't blame the whole association, even though I am the Executive Vice President of the Association, of which Fort Pierce is a member. This particular thing with the fuels committee is something aside and apart from other Association work. There are cities being charged exhorbitant rate for natural gas from the contracts they have signed. As far as any apology, I am not an attorney, I read that letter as a layman, I was asked my opinion of it, I expressed my opinion then and I feel I owe no one an apology. I am not trying to run down the Committee you have here. As far as our Association is concerned with our meetings with the City Commission, we did not have any remarks from them stating they would want to do otherwise. If they had, that was their own privilege, they could do what they please."

Mr. Millar reiterated, "Mr. Chairman, we feel we are entitled to a public apology. You have heard the words of this gentleman. He came over here and attacked the motives of this Committee. You can't interpret it any other way with what he said.

Mr. Cunningham interjected, "I would like to interrupt here. We have not attacked the motives of the Committee. I was asked by your radio reporter, they all had microphones and they were stuck in my face, what I thought of this thing. I didn't bring it up, they asked me what I thought of it and I made the statement then. I see no reason to retract it because I still feel that's the way it is."

Mr. Millar inquired, "Do you feel this is a normal statement for you to make? I read that report and to me it looked like a very good sales pitch for an attorney wanting a client. Do you think that is a normal statement for the Citizens' Committee to make in regards to?"

Mr. Cunningham replied, "I was not talking about the Citizens' Committee. The Citizens' Committee to me, are the folks that brought this thing up. I was asked my opinion of the statement the Citizens' Committee had made. Now, if the City Commission wants to take issue of that, that's their privilege. I had never heard of the Citizens' Committee until I saw that. Nobody is trying to run the Citizens' Committee. It did look that way to me."

Mayor Pro-tem Nelson related, "Gentlemen, I don't believe we are accomplishing a thing. We have heard the recommendation from the Advisory Committee. There is only 3/5 of the City Commission here tonight. If you see fit to take that action tonight, of course we will take it. In the meantime, I, as one member, will take no action until I have had a report from our City Attorney as to the suit that is being filed by Attorney General Shevin, as to whether or not we should participate in that suit. Mr. Cunningham I don't know specifically why you are here tonight. He is not in the mood to apologize, and Mr. Millar and his Committee are not in the mood to accept his recommendation without an apology, so we are accomplishing nothing."

City Manager Davis stated, "I am responsible for Mr. Cunningham being here, knowing of the statement he has made and the feeling of the Citizens' Advisory Committee. I was in hopes, that Mr. Cunningham would see fit to discuss the route his attorney Mr. Spiegel has taken, but he has already stated he will not."

Mr. Cunningham stated, "Since this thing has come to somewhat of a tempest, with the sanction of the City Commission and the Citizens' Advisory Committee, I have with me tonight Mr. Tracy Danese, an attorney from Jacksonville who has represented our Association during the past session of the Legislature. He is retained by the Association for the next year to represent us in the Legislature. As you well know, the Legislature is not a two months deal every two years like it used to be, it is almost a 12 months deal. Mr. Danese has been close to this problem on the wholesale power and with the Commission and the Committee's approval, I would like for Mr. Danese to bring you up to date in a lawyers terms as to what the situation is. He is pretty well versed in the avenues the attorney, Mr. Spiegel, plans to take. I think all of you realize when you are in a court suit, and I think your own City Attorney over there will back me up, you don't tell your opposition what course you pursue."

Mr. Millar advised, "We are interested in the main object here. Our fight with Mr. Cunningham is a side fight. We will take this under advisement at our meeting on Thursday and if we see fit to issue a formal petition resolution to the City Commission, we will do so. We do not wish to hear Mr. Cunningham, since hewill not apologize, but we will hear anyone else."

Mr. Tracey Danese stated he could have thought of a lot of worse situations to walk into with just a few minutes of briefing. He said he could tell by the Chairman's comments of the Advisory Committee that Mr. Millar and his committee had put in a lot of time with a high degree of integrity and diligence. They are approaching a problem with a view towards making recommendations to the City Commission, which in turn, is faced with the ultimate solution of a very serious problem.

Mr. Danese continued, "Gentlemen, if you will accept me as a newcomer to this dispute and let me start off that way, I will appreciate it. First of all, the problem you are talking about, and I assume we are talking about the high price of electric rates which are due primarily to the fantastic increased cost of fuel. Perhaps some of what I am saying is old hat, because obviously you men have looked into it and you are familiar with it. This particular problem was first known to the Municipal Utility in May of last year. At that point, it could not be analyzed in depth because no one could know what the draft would show for Bunker C fuel oil, which as you all understand is the gauge for the cost of natural gas under the contracts the eight cities are involved in. I was retained by the Municipal Utility Association in February of last year, just before the Legislative session started. I have to confess that I, rather naively, assumed the Legislature would look at this problem and immediately see what it was doing to individual electric consumers in the State, and I naively assumed we would pass remedial legislation. Having confessed my naivety, I will now tell you we fell short of achieving remedial legislation by one vote in the House of Business Regulations Committee, and by one vote in the Senate Commerce Committee. This problem of fuel escalation is a portion of a fantastically large international problem. You have about seven oil companies that control the oil supply of the world. I believe five of those are U. S. companies, and two of them are

foreign companies. There is a very substantial degree of interlocking ownership between oil companies and gas companies. I have seen an article that stated something to the affect that 80 percent of the gas company ownership was owned by 70 percent of the oil ownership. On top to that you have oil companies buying coal fields, and if you had a way of checking you would find they are also buying uranium deposits. Gentlemen, with the exception of Hydro-Electric and Solar Power, coal, oil, uranium and natural gas are the four basic energy fuels. As you know, when they tied the price of natural gas to Bunker C, it was on contracts that were entered into at various times over the past 10 to 12 years, and there has only been natural gas in any great demand in this state for about 12 years, since about 1959. At that time it was a normal pricing mechanism in the energy fuels industry to gear competitive fuels together. I don't understand why, but I have heard it so many times from the industry that I have accepted there was such a mechanism. I don't accept their reasons for its validity. The contracts then tied Bunker C, on what they call the oilgrams. There is Platts Oilgram Tampa and Platts Oilgram Jacksonville. As the price of Bunker C fuel oil fluctuated, so did the price of natural gas. In normal market times, Bunker C kinda goes like this, and natural gas goes right behind it, but we have reached a totally unanticipated, unforeseeable situation here where the price of Bunker C in the last 10 months has risen astronomically, not just in little peaks going up, but in a climb on a chart that looks like a 90 degree upturn. As it went up, it pulled the price of natural gas up. The reason it can pull the price of natural gas up to a consumer such as Fort Pierce Electric Company is, that we are what is known in the regulatory field, industrial consumers. The gas we buy is unregulated gas. It is called non-jurisdictional gas and that means that neither the Florida Public Service Commission has jurisdiction to regulate the sale of that type of gas, nor does the Federal Power Commission. The Federal Power Commission at various times, the last of which I believe was under the chairman before last, I am not sure, I think it was Lee White, had requested such jurisdiction of the United States Commerce Commission. Needless to say, the industry vehemently opposed it and it never even got off the ground. I'm not sure the bill was ever introduced to Congress.

Since the problem that I was dealing with was statewide, and affected just the State of Florida, and with the advise and council of Mr. George Spiegel, we filed a bill that would have placed direct sales of natural gas to industrial consumers under the jurisdiction of Florida Public Service Commission. We were a voice in the wilderness. The Association, Mr. Cunningham and myself were in Tallahassee the entire 60 days and I remained up there continuously until next to the last day of the second extended session. We told everybody we could, we even stopped cleaning personnel coming down the halls, taxi drivers, legislators, aids, administrator assistants and secretaries. We got the ear of a number of people, one of which was Representative Chuck Nergard, who supported our bill and supported it strongly. Senator Boyd introduced the bill in the Senate. The short and long of all this is, it was a complicated problem for the Legislature to grasp. They did not take the time nor have the inclination to correctively believe that what we told them was going to take place. It is ironic, but the last week of the session, we gathered facts and figures from the Tallahassee Municipal Electric Utilities and we projected what the increased cost for the State Government for Tallahassee would be, and at that time Senator Boyd told the Senate Commerce Committee that Florida State University's electric bill would increase in excess of $250,000. Every single penny of which is attributeable purely to the fuel oil escalation. He told them the bill for the Florida A. & M. University would

increase $67,000, and he told them the bill for the Capital Center Complex would increase $113,000. Those figures were so staggering in the last days of the Legislature, that they did not penetrate. The Senate Commerce Committee voted 6 to 5 to kill our bill. I, personally, tried to tell certain members of the Governor's staff. They were too concerned with Corporate Income Tax and Sales Tax. Prospects of court action were considered by the Association, again, with Mr. Spiegel being our primary advisor on that.

Mr. Shevin's law suit came as a total and complete surprise to us. It had a complete touch of irony in it as far as I was concerned, in that they named the City of Tallahassee as a defendant when the City of Tallahassee had been ardently fighting for the passage of the bill which would have remedied the situation. I, like your City Attorney, Mr. Brown, have not seen a copy of the complaint. I have found the worst place to form an opinion about a law suit is on what you see extracted from the newspaper. I anticipate that further very close study will be made by the Fuels Committee Association. There will be a meeting on this point about two or three weeks from now with Tampa. At that time, a decision will have to be made as to whether or not the Fuels Committee, representing the member cities, will attempt to join in Mr. Shevin's law suit. This represents a legal problem, and Mr. Brown will bear me out, where one of our member cities is in there as a defendant, we want to get in as a plaintiff. I don't quite know how we are going to do that. You don't normally just swap sides of the table in a law suit.

On August 31, the Cabinet will hear a special report from Chester Blakemore, who is head of the General Service Administration, which report is in turn compiled by Reynolds, Smith & Hills, Consulting Engineers. This report will go back to the Executive Branch when all of a sudden they realize, after Mr. Blakemore advised them, that the fantastic increase in cost has taken place. They hired this Engineering firm and the firm will make its report to them as to what can possibly be done. I don't know what that report will be. I talked to a member of that firm who called me to ask for information. I know that Mr. Dykes in Tallahassee has given them information as they called and asked for it. The Cabinet will be exposed collectively to this probably for the first time, although I know they are aware of it now because I had lunch with Mr. Jim Athorpe last Friday, whi is the Governor's administrative assistant, and he allowed as to 'yes, the electric bills have certainly got their attention' and they wanted to know why.

There are two possible avenues of relief. One, through the judiciary court action; the other through the medial legislation, placing jurisdiction over this type of utility in the hands of the Public Service Commission. The primary concern, I am sure with the Citizens' Advisory Committee and with this City Commission is how to get the relief to the people fast. I believe we all could agree on that. I can not tell you what a timetable would be in a State suit or a Federal suit. If you go into a Federal court and if it takes on the nature of an Anti-trust Action, I would say off the top of my head, maybe two years if everything went well. In the State courts, I can assure you the Florida Gas Transmission Company is not going to rest at trial court level. I can assure you they will fight this all the way and it will go to the State Supreme Court at least, but what type of relief you would get at the Supreme Court, I don't know.

A second thing I might add is, these type of law suits are very expensive. Expert witnesses must be obtained and engineers must be retained to go into gathering the factual background. These are an absolute necessity. It would seem to me since Fort Pierce, along

with the other seven cities that are so violently affected by this, have already started on the road of finding a solution for this, but I believe you are further along the road to solution now than you would be if you were to start afresh. You can ask me any questions regardless of how pointed they might be."

Mr. Millar commented that as it was pointed out in his brief he read a few minutes ago, they had said one of the problems is they never know the politics or what method or channels or problems will arise among the various cities that might be to the detriment of Fort Pierce. One has obviously arisen. One of the members of the Association's defendant, as Mr. Danese has pointed out, for him to switch to become a plaintiff, might become quite a legal entanglement.

Mr. Millar continued, "If the City of Fort Pierce has sufficient funds, the first priority, in our opinion, must be given to filing suit on our own. If we can file a partner suit with Mr. Chevin, I think it would be very adviseable if the suit is of the nature to give us relief. If it is not of a relief nature, then I think we must go it on our own. Another thing I would like to bring up now is that Mr. Danese said tying the price of gas to the price of oil was a natural mechanism for a normal contract."

Mr. Danese reiterated, "I said it was an historic pricing mechanism. I don't consider it natural at all."

Mr. Millar stated he would like to read something from a report to enlighten the City Commission as follows: "Of the industrial companies with no fuel escalation clauses in their contracts for natural gas, there are 17 major companies in the State of Florida. Of those industrial companies with unlimited fuel oil escalation clauses, there are two. The Municipal Electrical Utilities with unlimited fuel escalation clauses, the sky is the limit, there are seven, including Fort Pierce. Among the Municipal Electrical Utilities with limited fuel escalation clauses, that means they have a limit, are Gainesville, Orlando and Vero Beach. Vero Beach can only be charged up to 6½¢ per therm; Orlando can only be charged up to 6¢ per therm."

Mr. Millar stated it seemed to him that out of 28 industrial companies, they have 17 that were able to negotiate a contract with no fuel escalation clause, then there were three cities that negotiated a limited contract. He believes this is basis for a suit in that the gas company monopoly is charging the same type of energies different rates. It does not seem to be a usual contract, it seems to be who can negotiate with less contractural terms.

Mr. Danese agreed that was absolutely true. That is what happens when you deal with a public utility who is granted the privilege to function as a monoply and is not regulated as to the rate he charges; that is, inevitably the result. There is discrimination and partisan which Mr. Millar has just pointed out. Mr. Danese said if they were asking him why some cities got limited and others could not get escalation clauses, he did not know the answer, other than the fact they had to have natural gas and the only place to get it was Florida Gas Transmission Company. When you are in that type of position, the supplier is usually in charge.

Mr. Larry Bembry inquired if this could be the basis for breaking the present contract.

Mr. Danese did not think they could just unilaterally break the contract, even one such as this, for the simple reason it is a contract. It is conceivable these contracts border on what has now

become perhaps, in the old phrasing, "unconsciousable contract". If they did chose to break the contract, it would have to be in court, or else they would have to get their fuel somewhere else. They couldn't get natural gas anywhere else, realistically speaking. Their other choice would be to get it from Bunker C. To give them an idea of what they would be up against there, the City of Jacksonville had a contract with Bunker C for two years for $1.92 per barrel. They just opened up their new bids a week or ten days ago and the new price is $3.94 per barrel. That raises the total fuel cost to Jacksonville from eight to sixteen million dollars. Eight million dollars in Jacksonville is roughly 5½ mills of advalorem tax.

Mr. Bembry asked if Mr. Danese could recall how many companies submitted bids, and Mr. Danese replied, "Only two." One of the companies was Eastern Seaboard Petroleum. He could not remember the name of the other company, but he knew both bids were rejected. He is not with the City of Jacksonville but gathered this information from a member of the Association.

Mr. Millar asked if there is any possible credulous to the fact that in the Federal Power Commission presidings, the William Ellis Rule that the manner in which the Florida Gas Interruptible Tariff is written is vitally defective and its lack of clarity opens the way for unlawful discrimination. He did that in February 6, 1970 in the docket center before Florida Gas Transmission in the case. He said that it would appear that the tariff was defective and that we have contracted on the basis of the conducted tariff in order that we might have some legal basis.

Mr. Danese said he could not intelligently comment on that. First of all, the order that you are talking about, if the Examiner said that, he heard evidence before he said it. Mr. Danese stated he is not that much of a regulatory lawyer but his primary concern is with the representation of the Florida Legislature and his information he has is strictly as a result of this one bill.

Mr. Danese added, "You brought up the fact I had already mentioned one problem that died as a result of possible conflicting political situations among the cities. You said that already we find that Tallahassee is on the other side of the law suit. I will point out to you that Tallahassee is factually in the same position as you are. I don't see how you are going to have law suits around the state with people in the same factual situation being on different sides. I don't see how a court could afford relief. You couldn't rule for the defendants because you have some defendants that look like plaintiffs, and you couldn't rule for the plaintiffs because you have some plaintiffs that look like defendants. Since your contracts are basically the same and you are in the same position as these other cities, it would seem to me that in unity there would be a lot more strength, both politically and in the prosecution of the judicial procedure.

Mr. Don Brown asked if it were possible during the time all this is going about, that the fuel companies kept on escalating their prices on and on. Mr. Danese said he believed the price was frozen now as a result of the President's wage freeze. Mr. Brown then asked if there could be an injunction put on it to make sure.

Mr. Danese replied, "Obviously, if you did go into court, the first thing your attorney would ask for is an injunction at this stage."

Mr. Brown then asked if it could be a roll back. Mr. Danese explained, "It might be. If you were to prove discrimination, in other

words, if you were to prove these exhorbitant rates were illegal from their inception, yes, I could see where there could be. If you prove it here, somebody else will be proving it in another Circuit Court. Mr. Shevin has stated the State Court action and the Fuels Committee is supposed to determine, hopefully by next Tuesday, whether or not to go ahead into that suit representing all the cities involved, and try to get this thing focalized. Since Tallahassee is the seat of State Government, it has become an extremely hot issue up there because of the fantastic increases in rates, and since the Cabinet is also involved and you have every branch of the government in the act, so to speak; it would seem to me that with a concentrated effort made there with all these other cities being represented, the relief that is afforded will run to all of them. One, you could expedite it, and two, you would have the energy that is necessary to present this type of situation.

Mr. Holtsberg asked if the Attorney General is familiar with the situations that exist in the other seven cities, that is, a similar situation with Tallahassee, and if the fuel committee brought to the Attorney General's attention that we are in that same price discriminatory situation and maybe something else could be resolved.

Mr. Danese noted he had not talked with the Attorney General because he only found out about this last Friday.

City Attorney Brown stated he might be able to clear up in the minds of you who does not understand what happens in a court of law and why a particular person or persons may be named as a defendant. In this instance, he believed the City of Tallahassee, as municipal plant owner, sells fuel to the State of Florida for the universities and other government buildings. In all probability, there must be a contract. In his opinion, without having seen the complaint, that is the reason why the City of Tallahassee is the defendant, because they have a contract in the State of Florida to furnish the electrical power. They, in turn are also including the gas company who sells the gas to generate that power. He was sure that Tallahassee was in the suit completely involuntarily, and not of their own choice. He did not know if there was any way to turn the thing around, other than by cross-claim by the City against the gas company, which in effect, would put them on the same side as the Attorney General's side. He didn't know if there might be another avenue of approach at this point.

Mr. Holtsberg inquired if this injunction has been filed against the City of Tallahassee and the Florida Gas Transmission Company.

City Attorney Brown answered that was his understanding from talking to the representative in the Attorney General's office.

Mr. Holtsberg remarked it would seem like if the cities could get with the Attorney General, and if the State itself would now realize what is happening with this price escalation in these cities, and the Fuel Committee could get with the Attorney General, maybe relief could be brought to cities like ourselves and other cities even under a limited fuel escalation clause, so that a general price structure be given to ALL cities based on the distance the gas would have to be conveyed.

Mr. Danese believed Mr. Holtsberg was right and said that's why he is hoping before the end of next week, they will have an opportunity to discuss this matter with the Attorney General. What Attorney Brown said sounded absolutely correct to him and that coincides with

the drift of information he has received. The City of Tallahassee had to be in the law suit somewhere, they weren't bringing it, so they said, "Okay, you are not on our side, you are on the other side". Where they will wind up, he did not know. Mr. Shevin had not talked to him about it. He found out about it when Mr. Cunningham called him and told him to read page 5A in the Tampa Tribune. Ironically, this followed Mr. Blakemore's announcement about ten days.

City Manager Davis asked if the City of Tallahassee was represented by the Fuels Committee, and Mr. Danese replied, "Yes, sir". Mr. Davis then inquired, "Then are they not indirectly represented by the Fuels Committee in their fight against Florida Gas Transmission?"

Mr. Danese answered that the Fuels Committee is not representing the City of Tallahassee in that law suit, because as a City it was sued individually. As far as all of their efforts collectively, towards the solution of this problem, yes, Tallahassee is one of the primary people. It is very very adversely affected by this type of escalation contract.

City Attorney Brown added, "I haven't had a chance to mention this to the Commission yet, because I wasn't able to reach the representative in the Attorney General's office until late this afternoon. I did ascertain the name of the City Attorney in Tallahassee, and I plan to call him in the morning to see if he will tell me what their plans are to see if there is some way it might help us."

Mr. Millar suggested the Commission take under advisement to have the City Attorney draw up an outline of the type of suits, and what should be undertaken in those suits for the protection of our citizens to give them relief. If this suit filed by the Attorney General and if the suits filed by the Fuels Committee satisfy the requirements set forth by the City Attorney, then we would have adequate relief, but if these suits are not filed, then we would not have adequate relief and we should then undertake suits on our own. He also proposed that they were talking now about joining Mr. Shevin's suit, and would not, if the City filed a specific suit seeking relief for us, which looks like a very good suit, would not other cities join them?

Mayor Pro-tem Nelson stated to finalize this discussion they need to wait for City Attorney Brown to determine what action they should take insofar as Mr. Shevin's suit is concerned in view, more or less, of what Mr. Millar has just suggested. Until the Commissioners know if this is the desirable route for them to take, they will have to sit by and let nature take its course.

Mr. Millar said he agreed, providing the course of nature does not linger too long.

Mayor Pro-tem Nelson added, City Attorney Brown has talked to one gentleman today and will talk to another tomorrow and at the Special Meeting tomorrow night, after he has had a chance to talk with Tallahassee, he will ask him if he has reached a decision and will continue to ask at each meeting thereafter until they reach a conclusion.

Mr. Danese commented they would try to finalize some recommendation after the Cabinet meeting on Tuesday night.

Mayor Pro-tem Nelson remarked this had come to the point where they are going to participate in some definite action, but they cannot finalize what route to take. He did not believe the Commission could do anything now only wait for Attorney Brown's recommendation.

Mr. Holtsberg advised, "We, as a Committee feel it would be wise to go ahead on our own. I don't think perhaps, everybody on the Committee has that feeling. I think one of the things that has been brought out at a Committee discussion of this was the individual cost to the City, which if it lasts two or three years, may run up to $200,000, $300,000 or $400,000. I was wondering if any approach has been made by us to contact City Attorneys in other cities who have signed up under this fuel escalation clause, and possibly through the Board of Municipal Association, to have some kind of group meeting with these other City Attorneys, with the Mayors and the Attorneys, with the City Managers and the Attorneys to find out which direction would be the best to take and perhaps find out the benefit of sticking together."

Mayor Pro-tem Nelson commented he hated to put the pressure on our City Attorney, but hopefully, he can do the very thing that Mr. Holtsberg has suggested, and talk to some of the City Attorneys but this will take time. They will have to wait for the City Attorney's recommendation, and for theirs.

Commissioner Padrick noted that back in February there was a meeting of similar nature to Mr. Holtsberg's question, held in Tallahassee, of which he attended. Mr. Cunningham, Mr. Danese and members of the Fuels Committee were also present. There were a number of Attorneys there. At that time, the fuel escalation was not an explosive issue as it is now. Mr. Padrick asked Mr. Jack Smith, Superintendent of Power Plant, if this matter was first brought to the attention of the City Commission back in October, and Mr. Smith replied, "That is correct". Mr. Padrick related that Mr. Spiegel was there at that meeting and he did outline the procedure of avenues, of which he thought were the best methods to pursue. He was quite impressed with what Mr. Spiegel had to say. He thought he was very thorough in the courses of action which he wished to pursue. He believed it was time for another meeting of this type to be held with Attorneys, Mayors and City Managers with the members of the Fuels Committee to revamp their plans and update them.

Mayor Pro-tem Nelson reiterated they would all have to wait until some determination was made by each whether or not they are going to join in Mr. Shevin's suit.

Commissioner Padrick stated he was talking to Mrs. Hawkins, the Assistant Attorney General from Municipal Affairs, one afternoon last week. He spoke with her about 15 or 20 minutes asking about such things as this, unknowing about Mr. Shevin's suit. She didn't even know about it and she has worked in that office for several years. It was right after he finished talking to Mrs. Hawkins, that someone else called him from Talahassee and informed him of Mr. Shevin's suit, so they are not at all well versed on it in Tallahassee yet.

Mr. Trent Ebner, President of Fort Pierce Jaycees, stated that they are now in receipt of this complaint that Mr. Shevin has filed. If City Attorney Brown would like to have it, he could get it for him this evening. He explained the Jaycees received it immediately after it was filed.

Mr. Millar commented he wanted to thank the Commission for taking the time to listen to their views.

Mayor Pro-tem Nelson informed Mr. Millar that is the job of the Commission to listen to them or anyone else who wants to be heard.

There being no further business, Mayor Pro-tem Nelson declared the special meeting adjourned.

Adjournment

ATTEST:

Inez S Lowry
DEPUTY CITY CLERK

Lee Nelson
MAYOR PRO-TEM

MINUTES OF A SPECIAL MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE CONFERENCE ROOM, CITY HALL 315 AVENUE "A", FORT PIERCE, FLORIDA, ON WEDNESDAY, SEPTEMBER 15, 1971 AT 7:30 P.M.

Those present: Mayor Summerlin, Commissioners Caynon, Nelson and Padrick; City Manager Davis, City Attorney Brown and City Clerk James. Those excused: Commissioner Lait.

Mayor Summerlin called the meeting to order, and asked if there was anything to come before the Commission tonight before they got into the report from the Citizens Advisory Committee.

City Manager Davis didn't think they had anything else, as everyone here was interested in the discussion of the report.

Mayor Summerlin stated he had mentioned they would discuss the situation about the affidavits taking exceptions to garbage and trash collections.

City Manager Davis apologized for not remembering that he had asked Mr. Conrad Parker, Director of Public Works, to be present tonight for this discussion.

Mr. Parker stated he did not know if each one had a copy from the Citizen's Service Representative on the number of petitions and exceptions they have.

City Manager Davis stated they were furnished a copy. He explained that an ordinance was passed to govern the garbage collection fees, and then there was an amendment made to that ordinance whereby, some people were exempt.

Mr. Parker read the following excerpt from Ordinance No. F-37:"Any person, firm, or corporation seeking to show that no garbage is produced, thereby exempting them from the provisions of this Section shall submit a petition therefore, in writing and under oath, with the Department of Public Works who shall investigate the matter and render its findings and recommendations to the City Manager, whose decision to grant or deny the petition shall be final." From the memorandum of the Citizen's Service Representative he noted they have 392 sworn petitions for exemption from garbage service and an additonal 29 petitions for reduction of garbage fees, and the number seems to be growing out of proportion. The total loss of revenue from both exemptions and reductions would be approximately $18,426.48.

Mayor Summerlin inquired when the ordinance was enacted, and Mr. Parker said, "In 1967".

Commissioner Nelson asked where does the reduction come into effect. Mr. Parker explained that when a small commercial enterprise is generating very little garbage and they have been reduced from the $4.32 rate to the $2.75.

Mayor Summerlin asked if this is standard procedure in other cities. Mr. Parker answered that very few in the State have this procedure.

Mayor Summerlin related he has looked into this thoroughly and he feels it is getting out of hand. At this point he thinks they should consider either amending or abolishing this ordinance completely.

Mr. Parker added there is a different ordinance that was enacted earlier in 1967. He read the following excerpt from Ordinance No. F-16 which states: "All occupants of premises in the City whether

the same be used for residence or commercial purposes, shall be required to have accumulations of garbage removed and disposed of by the City and shall be required to pay the monthly collection fee as defined in Section 12-10 of this Article, except where the premises shall be unoccupied for a period of one month or any multiple thereof, the owner or occupant shall notify the Supervisor of Sanitation in writing and in advance of the time and duration of the proposed vacancy. At the termination of said vacancy the owner or occupant, within thirty days, may apply to the Supervisor of Sanitation for a refund of the monthly collection fees, which said refund shall be for one month or any multiple thereof but not for a fraction of one month; after the Supervisor's approval of same, the Public Works Department shall issue an order to the Director of Finance refunding the verified amount." Mr. Parker stated they are compelled by this ordinance to grant them time for vacation. This doesn't hold true in all cases, but in many cases people will be gone the whole summer and be granted an exemption from their garbage and trash fees. They will employ a yard man to care for their property while they are gone, and they have to pick up their yard and hedge trimmings, etc.

Commissioner Padrick entered.

Mayor Summerlin asked if Mr. Parker agreed with the recommendation to abolish the ordinance, and he replied, "Yes sir."

City Manager Davis agreed there should be more strenuous guidelines on the exemptions. In some cases where exemptions were made, they discovered these property owners simply threw his garbage over to another area and it was picked up there.

Commissioner Nelson stated he sat in this chair when the ordinance was enacted, and it was determined there are some limited number of small businesses that do not generate any garbage, but it got out of hand, as has been stated. He would be in favor of something to eliminate all these exemptions and make everyone reapply and prove that they do not generate any garbage. They had discussions on this when it was passed and they considered the fact that a lot of homeowners would be asking for exemptions. No home can be entirely exempt, because they do generate newspapers, magazines and what not with the garbage, and under no circumstances should homeowners be exempt. But some small businesses do not generate any garbage and certainly no trash, and might be exempt from this. He said this could be changed somehow to make everybody reapply and make them prove, not just by application which they will sign, because some people will sign anything to save $2.75 a month.

Commissioner Caynon said he didn't believe in this rate percentage. For one thing, he thinks they should do something about the trash. They say they don't have any garbage, but they have a truck load of trash to haul away. They should have some way to attach a fee onto this trash and this would eliminate getting away with a lot of trash, but no garbage.

Commissioner Nelson added he did not know if he had said it or not, but this is a part of what he suggests that they must prove that they do not generate either garbage or trash.

City Manager Davis said certain fines should be spelled out for perjury, which is the case if they sign an affidavit.

Mayor Summerlin declared, "The problem is if you go into an investigation on each and everyone of them, it would mean tying up the department heads or an assistant to investigate the situation. I

went through this when I signed an affidavit in 1968, because we were charged for two garbage cans and the landlord told us they provided garbage and trash pickup. He instructed me to come to City Hall and sign an affidavit. I did. This went by for about six months and didn't pay any garbage or trash fee at all. Then one day Scotty knocked on my door and handed me a letter he had found in the garbage can addressed to me, and he said, 'From now on, you pay garbage'. I know how this works. I really think in order to save headaches and cost on the part of the staff, we should seriously consider repealing the ordinance completely."

Commissioner Nelson replied, "Mr. Mayor, I will not buy that because I know there are some who do not generate garbage."

The Mayor said if they do not generate garbage, they do generate trash. They don't charge for trash, it is combined with garbage.

Commissioner Caynon remarked this is what he was trying to say.

Commissioner Nelson still insisted they must prove, not just by affidavit and he isn't saying they must send two men out to investigate, the proof is on the applicant.

Commissioner Padrick said he has looked into this for some time. He even had Mr. Cooper get him all the ordinances from seven or eight cities, and he had it put on the agenda one time. They kicked it around and then kicked it back out. He will just throw out this idea, of having each person that thinks they are exempt to reapply with $1.00 fee attached to the application to offset the necessary paper work. This in itself of having to reapply would automatically knock it in half, he believed.

Commissioner Nelson agreed he had no objection to that idea. The only thing he is trying to get across is the fact there are some who do not have any garbage or trash.

Commissioner Padrick had to disagree, because he challenged anyone in business to set one garbage container aside and not throw anything in that container except second class mail and when you get through with the newspapers, throw them in there also, and he would guarantee, him he would fill a 30 gallon container within a week. This comes to your business as well as your home.

Mayor Summerlin said it doesn't make any difference whose garbage can you put it in, you are still generating it and you still should be charged for it. He does not believe anybody can be in business and not generate any trash.

Commissioner Nelson remarked there were people who came before this Commission when this ordinance was passed that proved conclusively they did not generate any garbage. It has been three or four years now and he can not remember who they were.

City Manager Davis cited there are examples where the bill is attached to the meter, and there are places where there are two meters for one business, and both meters will be billed for garbage. Naturally, this is not the route they want to go, so there are some meters that would be exempt. It might pay for the Director of Public Works to work with the City Attorney to alter this ordinance with some of the suggestions that have been made and then bring it back to the Commission.

Mayor Summerlin said he really didn't feel that is the proper

approach. He believes the answer to the problem of loss of revenue plus the bother to the overtaxed staff, whould be to rescind the ordinance.

Commissioner Nelson felt there might be another route to take, and that is to separate garbage from trash, make a charge of X number of dollars for garbage and X number of dollars for trash.

Mayor Summerlin answered, "That is fine, except we had determined to wait awhile before we go into a charge for trash pickup."

Commissioner Nelson stated, "Well, I don't know that we determined that, and as far as I am concerned, if we have to make a change, the whole thing can be considered now or next week or next year."

Commissioner Caynon believed like Mr. Nelson, if they charge for the trash, they can get them that way.

Commissioner Padrick said he knew there were some people abusing the trash privileges. He has noticed certain residences that will fill up one truck and that is not fair to the other people in the area, because it takes those men quite some time to load that trash.

City Manager Davis noted it is not unusual to pick up 30 cubic yards at one residence and the City has computed that from the time this crew goes to this one area, picks up the one load and delivers it to the disposable area and back, they have spent $15.00 just for this one residence. He doesn't pay a penny extra for it. This doesn't repeat itself at the same place, but he estimated they have the same situation practically every day.

Mayor Summerlin reiterated, "To solve one problem at a time, I still would be in favor of rescinding the ordinance, and then work on trash."

Commissioner Nelson said he was perfectly willing to amend the ordinance and cancel all these applicants who have signed an affidavit they generate no garbage, and then let them start over. He will go along with what Mr. Padrick, suggested about letting them pay a dollar or more for investigation, because there are some who do not generate garbage. He asked Commissioner Padrick what he felt would be a fair fee to charge.

Motion was made by Commissioner Nelson, seconded by Commissioner Caynon and unanimously carried that the ordinance be rescinded and a new ordinance be written to require all the people who believe they are exempt from the collection of the garbage and trash monthly charge be discontinued on November 1, 1971, and they should reapply and make the contribution of $2.00, for each application to be renewed annually.

Mayor Summerlin read the following letter:

September 15, 1971

Honorable Mayor and Members of the City Commission
City of Fort Pierce, Florida

Gentlemen:

Please be advised that Mr. Evert Young of Reynolds, Smith and Hills called me late in the afternoon on Monday of this week and made several recommendations of changes in the Act we submitted to you

for the creation of a Utilities Authority.

Since you will consider this matter tonight, I wanted you to have these recommendations before you and to advise you that our Committee did not have adequate time to properly discuss said recommendations.

Mr. Young recommended the following:

1. A clause giving the Utilities Authority the right to dispose of surplus and unneeded properties.

2. Re: Page 20, Section 10, (5) change to read along these lines:

   The Authority shall be required to set aside each year in a depreciation and reserve account an amount equal to not less than ten (10) percent of its annual net revenues for the previous year and the Authority may estimate this amount in its budget or otherwise until the annual audit is complete and presented to the Authority. Funds set aside.

   (Mr. Young pointed out that there was only two ways the Authority could legally set aside the required amount and that was either an amount such as 15% of the last audited year's net revenue or to allow the Authority to estimate for budgeting purposes until the audit was complete.)

3. Re: Section II AWARDS AND CONTRACTS, Page 21 line 2 insert after the word "provided" the following:

   "Provided" except propietary items may be purchased without competitive bids.

4. Re: Section II, AWARDS AND CONTRACTS to insert the word "EVALUATED" as follows:

   A. Page 20, (1) line 9, in place of word "responsible".

   B. Page 21, (2) line 3, after word "lowest".

Respectfully submitted,
/s/Hudson C. Millar, Jr.
Citizens Advisory Committee

Mayor Summerlin stated that in going over the proposal that Mr. Millar presented September 13, that they would want to disregard the supplementary information that is provided and go right into the proposal found on page 15.

Commissioner Nelson remarked he had some comments about some earlier pages. Page 1, bottom of the second paragraph which states, "This has led to the people today being taxed to excess in the form of high electric rates", and Mr. Nelson wanted to repeat for the third time, "Our basic rates today, after adding 18 percent escalation clause, is still lower than Vero Beach, Orlando and Sebring, so our electric rates are not excessive, they are lower than our competition." Page 2, bottom paragraph, says, "A utility operation is in the nature of an operation of a business and should not be subject to all of the undulations of politics. There should be a definite continuity in the operation of the business.....on the other hand, nominations to the Utilities Commission must originate with the Commission itself." Commissioner Nelson pointed out here that if there is any politics in our utilities, it is something he knows

nothing about. As far as he knows, they have excellent supervision in our utilities operation and he congratulates all of them for the fine job. In addition, they have consulting engineers on these utilities, and this is also a requirement. He could not imagine where any politics would be in the utilities system. He does know they have good operators and they are properly supervised, so he takes exception with the idea there is politics in their utilities today. Commissioner Nelson continued that on Page 4.1, it states, "August 26, when the Committee unanimously recommended the Utility Authority at which time the Act was adopted 15 out of 17 members, or 88%; August 30, when the introduction was adopted 11 out of 16 members, or 68.8%; September 2, when the letter to accompany the report was adopted, 8 out of 16 members or 50%." Commissioner Nelson said this is not a strong appeal as it stands today, insofar as the Citizens Advisory Committee is concerned. Commissioner Nelson said he wanted to make it clear that he is not opposed to the Utilities Commission, he only wants someone to prove to him that this is in the best interest of the community. On page 5 he noted it says, "In the opinion of this committee, the City of Fort Pierce presently finds itself in a near disastrous financial state due to the practice of its leaders over the years to siphon excessive revenue into the general fund from its utilities and particularly from the electric plant. The Fort Pierce City Government would both bankrupt and collapse if this continues." Commissioner Nelson pointed out, particularly to the press, that the reason for municipal utilities is to generate funds that can be used for the public's benefit. If this were a privately owned power plant, then the profits would be paid to its investors. In this case, the profits are paid to the citizens. It is right and proper that the City take profits from the utilities in order to use for the administration of the City. He also pointed out further down the page in the third paragraph it states, "The deficit in the year ending September 1970 was $178,068.21". He asked Mr. Sprinkle if this is a correct figure.

Mr. Sprinkle replied he did not know.

Commissioner Nelson related that he could not figure out where the deficit came from since the General Fund has a surplus. He failed to understand this, and would have it checked out. He did know that the garbage and trash for this year had to be subsidized for $178,000 and Mr. Sprinkle stated that was correct.

Mr. Sprinle advised as he could recall they had a surplus of $348,000 in the General Fund at the end of September 1970, and whether the writer meant there was a reduction to surplus in this amount between 1969-70, he did not know. He has not checked the accuracy of the figures.

Commissioner Nelson said he would still like to have an answer to this deficit ending September 1970. He wants to know if it is in the Power Plant, General Fund or where.

Commissioner Padrick agreed he would like to know the answer to that also.

Mayor Summerlin said he had a comment on page 6, following what Mr. Nelson had said earlier. It stated, "On the other hand, the obvious reason for the near disastrous financial state of affairs is that over the years it has been politically expedient to tax the people through the electric system." He emphasized further what Commissioner Nelson said, that he has always felt, and he believes the majority of the people feel, that the situation of utility billing is a fair means of taxing the people. It is certainly a lot better than advalorem taxes.

Commissioner Nelson added that it is one of the fairest methods to tax, because it taxes everybody that uses electricity, regardless of whether they own real estate or not. If they were to take this tax off, and a substantually less number of people would be required to pay it, those who do not own real estate would be left without paying anything. It is the fairest kind of tax that could be levied.

Commissioner Padrick asked how many times the rates have been adjusted in the last 20 years, and Mr. Skinner replied, "About four or five times."

Commissioner Nelson advised the electric rates have been reduced three times since he has been sitting in this chair.

City Attorney Brown remarked he had heard statements on the street that charges for electrical service is just another way of taxing and he thinks that is a falicy. The people are being charged for a service rendered by a public utility. The fact that it is owned by this municipality, rather than by Florida Power & Light or some other private corporation, they will still have to be charged for a service. To him, this is not a tax. If we did not have the plant here, and they had to buy their electrical service from some private corporation, they will pay just as much, but yet they do not consider that a tax.

Commissioner Nelson commented he has had several people say to him that they would much rather pay this 10 percent tax monthly than have it accrue over a 12 months period and have it added to their advalorem tax and pay it all at one time.

Mayor Summerlin added that the comments he has heard since this controversial report has been brought to light, it seems that some citizens have a misconception and they feel a Utilities Commission with a Utilities Director is the answer to all the problems that the City has had and will ever have with the Municipal Power Plant. They think, at this point, if this is put to a referendum in December and they vote in favor of it, then all the problems will be solved. They believe everything at the Power Plant will begin working beautifully and we will never have another black out. The Mayor said, "I want to tell you right here and now, that this is a very bad misconception on a lot of people's thinking. I am not talking against a Utilities Commission or Utilities manager, but I am hoping the people will be able to see that even at best, if this Utilities Commission goes into effect, it will take a number of years for it to begin operating as effectively as the present operation is now."

Commissioner Padrick stated he believed also that what the Mayor just said is very true and will bear out if they rush headlong into something like this, that possibly the long range affects of a Utilities Commission or Board could possibly be overlooked in trying to find immediate answers to these problems that are on the surface right now, and they might lose sight of the ones in the future. He stated he is not arguing against the Utilities Commission or Board either, he is open-minded about it, but he feels at this time with all the turmoil, this might possibly be the wrong time to initiate a program of this type.

Commissioner Nelson commented he could not understand what the meaning was about the percentages of total expenses including salaries each department charges to utilities listed on page 7 of the C.A.C. report. He noted that some of the departments were listed at 100 percent, several at 75 percent, and he wondered if it were true that the total operating costs of these departments is based on these figures.

Mr. Sprinkle remarked he would like to comment on the top three that are listed, Data Processing, 100 percent; Customer Service, 100 percent; and Utilities Accounting, 100 percent. He stated, "In January of 1970, the City passed an ordinance regarding the Data Processing division, Customer Service division, and subsequently a newly created division called Utilities Accounting. These were placed under the Finance Department for directional purposes. Since the Finance Department is in the General Fund, these three divisions were budgeted in the General Fund. The function of these three divisions is primarily to service the utilities departments, or systems of the City, with the exception of Data Processing where there is some question that it is to be revised during the new fiscal year."

Commissioner Nelson stated, "Now, I can accept the sole cost of operating certain departments can be charged against utilities, but not necessarily electricity." Mr. Sprinkle replied, "No, not to electricity." Mr. Nelson advised, "It says here, the total cost is charged against them."

Mr. Sprinkle explained the way he reads this is, he says the percentage of total expenses including salaries each department charges to utilities.

Commissioner Nelson reiterated they were talking about electricity all the way through this report, he hadn't seen the first word about water or sewer.

Mayor Summerlin said the recommendation is that they all be combined under the Utilities Commission.

Mr. Sprinkle advised all this money is not charged to the electric plant.

Commissioner Nelson said this goes back to what he stated a little while ago, the profits that are made from utilities are used for general administration for the welfare of the people. He did not care whether it was charged against the electricity, or what it is charged against, it is all for the same purpose.

Mr. Sprinkle commented that most of the financial services of the City, the employees salaries, the expenses connected thereof, are about 75 percent, and he used that word cautiously, of the accounting and financial services of the City of Fort Pierce is for utilities. He had gone over this with the auditors and about 76 percent of the revenue generated in the City is from the sale of utilities.

Mayor Summerlin noted the only comment he would have to add to Commissioner Nelson's is, that they have been through accounting procedures with the Marina, and he agrees with him it doesn't make any difference which pocket you take it out of as long as it meets the general accounting procedures and is up and above board, so that you have some accurate figures as to the cost of operating the various departments. He does question Data Processing, because no place in this report does he find a recommendation that this be included under a Utilities Commission, and he wondered about the desirability of placing it there.

Mr. Sprinkle stated he could only somewhat echo the Mayor's comments. Several of the divisions mentioned here, for example, Customer Service is primarily 100 percent actuary service to the utilities. They are there primarily to collect money for the sale of utilities. Data Processing is there for some percentage less than 100 percent the

way they are presently operating. The major part of their job is to bill utilities, and he feels this has to be revised. He is waiting to get an estimate from Mr. Ed Belanger as to how much he feels his service is for other departments rather than utilities. The Utilities Accounting was created to do specific accounting for the utilities division.

Mayor Summerlin said, "We also do outside work for the County, Tax Assessor, Tax Collector and we plan to do work for law enforcement, don't we?"

Mr. Sprinkle replied, they were not doing anything with law enforcement yet.

City Manager Davis advised there are plans to do this law enforcement work in the future.

Commissioner Nelson did not think the Data Processing should go under the Utilities Commission because, as Mr. Sprinkle has said, they are doing the work for too many other places that have nothing to do with utilities.

Mr. Sprinkle stated that he thought Data Processing in the near future should be funded separately all by itself with revenues supported by services rendered there.

Commissioner Caynon questioned the footnote on the bottom of page 7 of the report which states, "Witness the recently purchased City Hall which was bought at a cost of $200,000 with electric funds with an additional $150,000 allocated for renovation. This $350,000 is difficult to justify when reserves and revenues won't permit this expansion recommended by the consultants and the needed 50,000 KW generator had to be reduced to a 40,000 KW, thus not fulfilling adequate needs for electricity in the mid 1970's." He asked if the other Commissioners agreed with this statement and Mayor Summerlin said he, personally, did not believe it at all.

Commissioner Nelson stated, "Over the quarterly cost of $1,200,000 .... you heard me argue and argue here at one of the meetings when Mr. Huskey presented the Bond Plan, that we revise some of these figures in order to go to the 50 megawatt generator, but this item might have been a part of it, but it certainly is not going to solve that by 85 percent."

Mayor Summerlin felt the statement was misleading. They do not come right out and say that it has jeopardized the borrowing power of the City, but it would lead you to believe this is their thought on it.

Commissioner Nelson pointed out he had a question concerning the second paragraph on page 8. The report states, "It might be pointed out here that Jacksonville in their charter requires 10 percent of its annual net revenues for the previous year to be set aside in a depreciation and reserve account". He asked how much the City of Fort Pierce sets aside from net revenues for depreciation

Mr. Sprinkle answered, "Since I have been here the auditors have set aside 2½ percent of the plant value, not revenue."

Commissioner Nelson said the report states 10 percent of its annual net revenues, and there is a lot of difference between net revenues and plant valuation, so the 2½ percent of plant valuation could be 20 percent, as far as he knows.

Mr. Sprinkle advised that 2½ percent of plant value amounts to approximately $490,000 to $500,000 per year. (He used the figures cautiously because the plant value changes from year to year as they add or decrease the plant value and electric system.) This amount is set aside and deposited into a depreciation fund, which by title, is not required under any ordinance he can find, nor the Charter, but it does provide a handy bank account in which to deposit funds to provide for renewals, replacements and extensions as recommended by the City Engineers and the City staff.

Commissioner Nelson then inquired, "What is the annual net revenue to the Power Plant, of which we get 40 percent."

City Manager Davis replied it was 60 percent."

Commissioner Nelson said he knew that, but we were getting about $600,000 this year and last year. He is trying to determine what percentage the depreciation fund of approximately $500,000 is of the net revenue.

Mr. Sprinkle stated the net revenues of last year, according to the auditors, were approximately $2,200,000 and 10 percent of that is obviously $220,000.

Mayor Summerlin then asked why we did not have enough money to absorb the fuel escalation like Jacksonville did.

Commissioner Nelson advised they did absorb $260,000 of it for the first several months.

During the discussion of the following pages of the report, Commissioner Nelson said he thought someone should attempt to defend the Fort Pierce contract with the Florida Gas Transmission. As he understands the facts, is that the City negotiated the best contract they could get, and other cities did the same thing.

Mayor Summerlin then asked if Mr. Nelson had the recommendations of the consulting engineers, and Mr. Nelson said, "I assume we did, I don't remember that I, personally, got involved in it. It was left up to the City Attorney."

City Manager Davis noted he had looked up the renewal contract today and they had acted upon the recommendations of R. W. Beck and Associates, who at that time were the consulting engineering firm. He said they have a letter on file of their specific recommendations of why they should renew the contract.

Mayor Summerlin advised that when the original contract was negotiated in 1964, Reynolds, Smith and Hills was their consulting engineers and he wanted to know what their recommendations were at that time.

Mr. Skinner said he did not recall. Mr. King was in charge of the Power Plant then.

Commissioner Caynon believed they should check back in the minutes to find out what the recommendations were from Reynolds, Smith and Hills.

Commissioner Nelson read the following excerpt from page 11: "Our neighbor to the north, Vero Beach, was fortunate in having executive leadership that insisted on a ceiling on escalation and thus contracted for a limited escalation of no more than 4.1¢ per therm, where larger Orlando with their Utilities Commission gained an even

better contract with a limitation of 6.0¢ per therm." He asked if this made sense to anybody, was it a better contract at 6.0¢ than it was at 4.1¢?

Mr. Walter Baldwin, Superintendent of Natural Gas, stated from 1958 until recently Florida Gas Transmission offered two types of contracts. One was a higher rate per therm, without the escalation clause, or a lower rate with an escalation clause. The higher rate was signed by many companies, but those that took into consideration the fact that oil had been stabilized for 15 years or so at $2.32 to $2.34 per barrel, thought they had a better deal. No one could forsee the far reaching crisis.

Mayor Summerlin noted that may be the explanation for these figures then.

Commissioner Nelson then commented on one part of page 12, "(3) Failure of the management decision system to anticipate the rise in fuel oil," and said he wished he had that foresight.

On page 13, Commissioner Padrick commented that the third paragraph stated, "Mr. Winnard advised that Jacksonville recently received six bids for fuel oil ranging in price from $3.65 to $4.40 a barrel." Mr. Padrick had understood that Jacksonville could not get all the fuel oil they need, even under this contract. Mr. Tracy Danese had mentioned to them that the people bidding on the fuel oil for Jacksonville could not supply the anticipated needs for one year.

Mr. Jack Smith pointed out the last bids submitted to Jacksonville were rejected also.

City Clerk James noted their best bid was for $3.85 per barrel, but the bid was thrown out.

Mr. Smith pointed out that Jacksonville does not use anything except oil.

Commissioner Padrick stated they would not be involved in the natural gas escalation because of this fact.

Mayor Summerlin remarked that in item #4 on page 13, they did point out that Jacksonville had the storage area to receive shipments of full tanker loads and of course, Fort Pierce did not, so therefore, did not buy the capacity of barrels that Jacksonville does. He also noted that in the same paragraph, it seems this is the same situation as saying that the management did not have the foresight to forsee that fuel oil would be escalated. He could not see how they could have anticipated exactly what was going to happen with the new computer system. He asked Mr. Sprinkle was there a possibility of keeping the IBM equipment operating until they had the NCR completely on the line.

Mr. Sprinkle replied they did do the billing on the record equipment through January along with the NCR equipment in place. They did the conversion on the cycle basis, but there was duplicate billing on the first billing, with one cycle on each kind of equipment for verification purposes. They did run into problems and they did get behind. One of the contributing factors was the people on the computers were not as experienced as they could have been.

City Manager Davis asked if they used IBM until they had full installation of NCR equipment, and Mr. Sprinkle replied, "Yes sir."

Commissioner Padrick asked how accurate the figures were under item #4, and Mr. Sprinkle said he would not have any comment one way or the other, as they have some accounts that are chronic problems, and it is obvious with a delay in billing, the size of the chronic problems become bigger. He doubted if anyone could quote an accurate figure until they have been audited, and he would rather wait to see before quoting any figures.

Commissioner Nelson read part of #5 (C) page 13: "The loss to the City of Fort Pierce as anticipated by Reynolds, Smith and Hills is estimated to be $500,000". He then inquired from the period of May 1, 1970 to June 1, 1971 if they had a total escalation figure.

Mr. Jack Smith stated it was in the vicinity of about $500,000 perhaps a little more.

Commissioner Nelson advised, "All our commercial and industrial accounts are tied to escalation and they paid that for those months, they are about half of our accounts, so it would not be $500,000 but a $250,000 loss.

Mr. Baldwin commented they have eight industrial gas customers that have contracts with the City. Three of these were signed for the first time last year. The gross revenue for these are up to $280,000 so far this year. Each one of these responsible business men signed a contract with us with an escalation clause precisely the same as the one with Florida Gas Transmission.

Commissioner Nelson stated that's why he wanted to point out the falicy of this $500,000 figure. It isn't costing the City that much, it is only about half that amount.

Mr. Smith stated he now has the figures they paid Florida Gas Transmission for the total escalation for the first eleven months. It was $387,131.20 for gas only.

Commissioner Nelson was not sure the paragraph he commented on was concerning gas only.

Mr. Smith explained what they did with the total amount was the figure used for gas and oil above the base price, and then Commissioner Nelson said that would be divided, half against the commercial industry and half against residential owners to make the figure half of the escalation increase.

Mr. Pete Noel, reporter from WIRA, inquired if they were saying that over and above what they expected to pay, they only paid $250,000 rather than $500,000.

Mr. Smith answered, "The only thing I ever said was that escalation costs us a certain amount. I don't know how it was billed. This is out of my realm."

Mr. Noel said he was wanting to know if that much money had gone out of the City or not.

Commissioner Nelson replied, "Yes, it want out, but half of it was charged to commercial industrial users, because that is a part of the ordinance billing those people, they are tied to the escalation."

Mayor Summerlin wanted to know how they determined that the industrial accounts paid half the amount, and Commissioner Nelson remarked he had checked it with the utilities department and their answer was it was approximately half of their income.

Commissioner Nelson reiterated the $500,000 figure on page 12 is incorrect insofar as City funds that were paid out for the escalation clause.

Mr. Dick Lundin, reporter for the News Tribune, asked, "Do you have a forecast as to how much the City will be out of pocket as of September 30th?"

Commissioner Nelson said as he sees it it will be the same, because since the first of June they have been charging these escalation charges to everybody. Mr. Smith agreed.

Mr. Lundin asked, "You are saying, at the end of the year, the City's total impact of this whole fuel oil escalation problem, will be just $250,000."

Mr. Smith said he couldn't really answer that. The only definite thing he could say is, he knows just how much above base price is escalation.

Those are the only figures he puts out. How those are broken down, he could not say.

Commissioner Nelson explained that Mr. Smith has nothing to do with the billing department. He only knows how much additional is charged for oil and gas.

Commissioner Padrick read the following from page 15: "II Proposals. The alternate facing this Committee were as follows: (1) Retain the present system, which has the advantage of keeping control close to the people, but the weakness of flavoring as well as basing management decisions on politics instead of sound business reason. (2) Retain the present system with the exception that a Director of Utilities would be hired who would report directly to the City Commission and replace the City Manager as Chief Operating Officer of the utilities. This would retain the advantage of close control of the people, offer possible better management, provided the Director was permitted to do his job without hindrance by the City Commission. The weakness of the political still being involved in management decisions. (3) Changing the entire structure and turning over the utilities or part of the utilities to a Utilities Authority, which would hire a Utilities Director to be the Chief Operating Officer. This would give the utilities the best management system which should lead to efficient decision making based upon the best facts and information available." Mr. Padrick noted that number (3) has been deleted from some of the reports the Commission currently now has. The original draft that City Clerk James has does have number (3) included in it.

Commissioner Padrick stated, "I have been thinking about this, and like I said, this is not the right time to push this Utilities Commission forward. I personally, tend to lean toward item #2, but one addition to this, and that would be the appointment or creation of a board very similar to the City Planning Board. They would have a membership of four or five with the Mayor being a member of this committee. This committee could work with the Director of the Utilities, such as the Planning Board does with the Building and Zoning."

Commissioner Nelson commented, "Approximately three years ago we hired a Utilities Director, after interviewing innumerable candidates, we hired one and he proceeded to upset the departments to the extent that he resigned at the end of his probation period. I

think the department heads were all happy when he resigned. I do not believe there is a real possibility of hiring a Utilities Director who is prepared to direct electricity, water, sewer and gas. These are all specialized fields."

Commissioner Padrick referred back to page 9, and said he thought there was some falicy in where they say the politics might play in this. He did not think for one minute if they hired a Utilities Director and he found a job that paid more money, that he wouldn't move on. He believed this point should be well taken, that you could not tie that man down forever.

Mayor Summerlin pointed out that a good man would cost good money, and his thinking is between $25,000 and $30,000 for a Utilities Director. Our City Manager doesn't even make $20,000 and he certainly would not be in favor of putting somebody under him at more salary.

City Manager Davis believed the implication here was the Director would work directly under the Commission, provided the Commission would leave him alone. That is the way it reads.

Commissioner Padrick agreed with the Mayor that the Director of Utilities should not make more money than the City Manager. To him, the City Manager is still the Chief Executive of the City.

Commissioner Nelson commented, the City of Orlando has been thought to have the ideal Utilities Commission. If you have read the proposal, Orlando is almost forgotten. He took the liberty on July 8, to write a letter to Mayor Carl Langford of Orlando and asked him a number of questions about his Utilities Commission. He answered all his questions, unfortunately he did not ask enough questions. He inquired of Mayor Langford, "It is our understanding your Utilities Commission is composed of the Mayor and four others who are nominated by your City Commission and appointed by the Utilities Commission, is this true? No. If not, please explain. Was the Utilities Commission elected by the City Council each year to serve for a four year term." He explained there could be just as much politics by the appointment of these people under this proposal, as there is today, if there is any, and he does not think there is. "What is the Orlando Mayor's annual salary? $27,500 plus $6,000 a year which is not accountable, he can spend any way he wants to, making it $33,500 a year. In addition to that, each Commissioner gets $6,200". Mr. Nelson continued that if our Mayor or any of the City Commissioners attended 44 special meetings per year, they would draw $2,000. This is a full time job for the Mayor of Orlando. He wondered if they expected the Mayor of the City of Fort Pierce to be able to serve on this Commission for any degree of efficiency at $2,000. Mr. Nelson continued, "There is a two four year term limit that a Utility Commissioner may serve. What are the education and experiences desirable for a Utilities Commissioner? He must be an established and successful businessman and a City resident and property owner. For the Utility Director; business administrative ability and degree and experience of a Civil Engineer. What is the Utilities Director's annual salary. $27,500." Mr. Nelson said the one question he forgot to ask was how much his helpers get. This totals $61,000 they are paying the Mayor and Utilities Director. The questionier continued, "Are the decisions made by the Utilities Commission subject to review and/or amended by another body? No. Exception, the City Council must approve the sale of bonds and purchase or sales of real property. What is the firm generating capacity? 425,000 kilowatts." Jack Smith stated our capacity was 66,000 kilowatts. Mr. Nelson stated they are 8 times bigger than

we are, and that being the case they are able to produce electricity for less than we do. They get 50 percent of the net revenue from the power system. The advalorem tax in Orlando is not 4.72; it is 10 mills, which is over 5 mills more than we collect here. In addition, they still collect the 10 percent utility tax as we collect.

Commissioner Nelson pointed this out to say that as the Mayor has stated, they will have to pay out something in a substantial amount to get a competent man as a Utilities Director, and he will have to have helpers.

Commissioner Padrick advised, "Going back to #2 I referred to awhile ago, one of the reasons I lean toward the idea of an appointed board, rather than a Utilities Commission is borne out in a minority members report of the Utilities Commission Study of 1964 and he read from page 2, last paragraph and he feels this bears some weight: "A creation of an appointed Utilities Commission takes some of the rights away from its citizens. The public now does express itself at the polls. The rates are too high, the service is poor, or expansion is not in line with public opinion. The public evoked for a change through the City Commission and an appointed Utilities Commission makes such public expression almost impossible." He did not believe if a Utilities Commission were created and they did something that went against the grain with the voting public, the public would still take their rap out on the five members of the City Commission. They are still the authority of the City, yet the City Commission would have no direct control over them and therefore, the voters would have no direct communication with these particular people.

Mr. Smith added to what Mr. Padrick has said, once they take such an action, they would never be able to go back. It would be mighty hard to go back to the same type organization as they have today. Commissioner Nelson stated it would have to be done by referendum.

City Attorney Brown noted that he found in item B. "THE ACT, Section 1. There is hereby created and established a body politic and corporate to be known as the Fort Pierce Utilities Authority", and the present City Charter states it should be designated and known as a Fort Pierce Utilities Commission. If this plan is submitted to the people, either the word "Authority" would have to be changed to "Commission" or the Charter would have to be amended to make it right.

Commissioner Caynon advised if the City Commission could not have any rule over the Utilities Commission, it should be a separate thing like the Fire Department. He didn't think they should be responsible if they didn't have any say-so about it. They could be elected just like the City Commissioners.

Commissioner Nelson commented on Section 4, page 17 where it reads: "The City of Fort Pierce shall receive free services for electricity power and water up to but not exceeding the combined value of $70,000 annually which shall be determined through the use of meters at the prevailing rates." He noted that in a growing community, such as Fort Pierce, they have City street lights, power, water usage in all the City buildings and to derive at such as this, would be a great error. We know that the cost of these things increase every year.

Mr. Troy Lee, Superintendent of Electric Distribution, advised the street lights cost over $70,000.

Mr. Sprinkle pointed out this figure of $70,000 is already set. He was not sure of the authority for it, but he believed it was for bond ordinances.

Commissioner Nelson thought they should check this figure out, because they simply could not set on $70,000 forever.

Mr. Sprinkle inquired about Section 6, page 19, if this meant 90 days from the date of referendum.

City Attorney Brown advised the way they have it set up in the last section on page 22 states it shall take effect immediately upon becoming a law. If it is submitted to a referendum and it is passed, then it becomes a law then, so this 90 day period would start from that date. They have suggested it be not later than December 31. Mr. Brown commented it would be almost physically impossible to accomplish what they have set out in this subsection 8 in that 90 day period. He has note of a legal description if you have to convey all the property the utility department now owns or has easements for their transmission lines to the Authority, it would take a document. He noted the accounting problems could be tremendous.

Mayor Summerlin asked what the pleasure of the Commission was regarding their approval of disapproval of the recommendations.

City Manager Davis wondered if the operation could be split and set aside the utilities operation, such items as Accounting, Purchasing and Building. He asked if they were going to duplicate these functions, or are they to be functions of the Utilities Commission. He didn't think this has been taken into consideration. He also inquired where would this organization be housed? The question of time of transition from the present operation into a new one, would it be six months or a year? Would their expansion program be thrown behind another year? Would they find themselves with demands they cannot meet in five years, due to time lost in the transition? Who is going to set the amount to be transferred from the Electric Fund to the General Fund? Should that amount be set lower than we now experience? Where will the additional operation funds come from? These are questions, as far as Mr. Davis is concerned, that have not been answered, and he felt they should be taken into consideration.

City Attorney Brown pointed out in reading through this, particularly with the sections that have to do with the authority of Utilities Authority or Commission, whatever it will be called, to issue bonds for expansion, etc., like the City Commission has the authority to do now. He believed it would be well to submit this to the City's fiscal agent for his review, since this requires a specialized field and also to the attorney who represents that company on bond matters, to make sure that what is set out here is alright.

Commissioner Nelson said that thought occured to him when he looked at the paragraph that says any bonds that have to be approved by the City Commission.

Mayor Summerlin inquired if a copy of this has been furnished to our fiscal agent Mr. Huskey yet. He recommended that Mr. Huskey be presented with a copy. He also thought the Commission should discuss this with the consulting engineers, even though the Citizens Advisory Committee has already done so. He wondered if it would be possible to have a representative of the consulting engineering firm Reynolds, Smith and Hills, and Mr. Huskey present at next Monday night's regular City Commission meeting to have a question and answer session.

Commissioner Caynon wondered if it might be better to have a special meeting next Tuesday night to discuss this rather than bring it up at the regular meeting.

Mayor Summerlin related they had promised an answer to the Citizens Advisory Committee within seven days after the report had been officially presented to them.

Assistant City Manager Cooper replied, "No sir, all you asked was that the Citizens Advisory Committee not take it (their report) to the public until after you had it seven days."

Mayor Summerlin said that was fine, then, so he asked if next Tuesday night would be alright with them to have a special meeting with the consulting engineers, and Mr. Huskey.

Commissioner Nelson interjected, "Just one second. Mr. Brown suggested something that was good. I think before we do this, this should go to our bond attorney to get his answer. How long that is going to take, I don't know."

City Attorney Brown advised he would put his copy of the report in the mail tomorrow to Mr. Watson.

Motion was made by Commissioner Nelson, seconded by Commissioner Caynon and unanimously carried that Commissioner Lait be excused from tonight's meeting.

Mayor Summerlin then commented they would not officially set the date for the meeting until they know whether or not the bond attorney has had an opportunity to look over the report and they get everybody lined up for the meeting. They would announce the date at Monday night's meeting.

Commissioner Nelson stated he would like to suggest that City Attorney Brown get his report in the mail tomorrow by special delivery, together with a letter asking for an opinion.

Motion was made by Commissioner Caynon, seconded by Commissioner Padrick and unanimously carried to grant permission for City Clerk James to attend the Florida League of Cities Conference in St. Petersburg in October, 1971.

There being no further business, Mayor Summerlin declared the special meeting adjourned.

Adjournment

ATTEST:

R. E. James
CITY CLERK

Dennis B. Summerlin
MAYOR COMMISSIONER

September 2, 1971

HONORABLE MAYOR AND MEMBERS OF THE CITY COMMISSION

CITY OF FORT PIERCE, FLORIDA

Gentlemen:

The Citizens Advisory Committee for the past five months has been studying the feasibility of a Utilities Authority for the City of Fort Pierce. Respectfully we submit our report urging the creation of a Utilities Authority to operate the electric, water, gas, sewage and other related utilities.

In arriving at our recommendation for the creation of a Utilities Authority for the City of Fort Pierce, this Committee has found that over the years, the system of managerial decisions in the operation of the utilities and particularly the electric plant has, at the least, been hasty, sometimes made on too low a level, often based upon political expediency, usually formulated without our city leaders having sufficient knowledge of the complicated nature of the utility business and its finances, all of which has led to curbing recommendations of its consultants for future electric needs, unfavorable contracts for fossil fuels, excessive exploitation of reserves and the withdrawal of too much of its revenues for such purposes as suited the leaders of our city at that particular moment. This has led to the people today being taxed to excess in the form of high electric rates.*

* The electric rate to the customer is the end rate paid by that customer including all taxes, adjustments, fees and charges and not the basic rate and any charge for electricity over the cost of producing it (net operating income less debt service and depreciation is nothing more than a tax to the electric customer.

This situation is not the result of one event or one decision, but an accumulation of events and a series of bad management decisions over the years. This Committee has found that the management decision-making process itself is extremely weak in that City Managers and City Commissioners change so often that continuity of executive leadership is lacking, that City Managers have neither the time nor often the background and experience to manage this milti-million dollar business, that City Commissioners are too busy and so involved with other problems of the comunity that they don't have sufficient time to devote to utility management and furthermore that they usually take approximately seven to nine months to digest even the rudimentary elements of city government and are often not qualified at the end of their two-year term to understand the complicated finances and operation

of the utilities, particularly the electric system.

This Committee weighed carefully the removal of the operation of all utilities and particularly the electric system from the direct elected representatives of the people, thus the City Commission. Our conclusion after listening to former Mayors, Commissioners, Consultants, various authorities and community leaders is that efficient management of the vast enterprise, consisting of the electric, water, gas and sewage systems, is more important than closer political control. Furthermore, even with a Utilities Authority in Fort Pierce, the City Commission would still retain the right to elect members to the Authority and to remove them for wrong doing or ineptness. The 1964 report of the Utility Fact Finding Committee, which then recommended the creation of a Utilities Commission to operate the Fort Pierce utilities, stated:

> "A Utilities Commission will give this highly desirable continuity of management to our utilities operations ..... a continuity which it does not have ..... under our present system, our City Commission is charged with the management and administration of our utilities. This leads to another obvious answer ..... our utilities are subject to change every year."

Mr. J. T. Bensley, Director of Utilities, City of New Smyrna Beach in a letter to James L. Howe, Executive Director of the St. Lucie County Local Government Study Commission, dated April 27, 1971, stated:

> "City Commissioners are faced with many problems and generally have all they can handle; whereas a separate board can devote more time and thought to utility operations which are specialties in themselves, requiring concentrated business efforts and procedures. Furthermore, some real expertise can be put to work in that people can be appointed to serve as Utility Commissioners who have such useful and valuable backgrounds as engineering, accounting, investor-owned utility experience, etc. It is strongly recommended that appointments should originate with the Utilities Commission, subject to City Commission confirmation, since they, from experience, are more cognizant of the actual needs and are thus more apt to choose more qualified persons. Also, as appointees they have no patronage to consider, and their terms insure a continuity not achieved by elected officials."

Mr. Stephen P. Willis, Manager, Staff Operations Department, of the Orlando Utilities Commission in a letter to James L. Howe, dated April 26, 1971, stated:

> "A utility operation is in the nature of an operation of a business and should <u>not</u> be subject to all of the undulations of politics. There should be a definite continuity in the operation of the business.... on the other hand, nominations to the Utilities Commission must originate with the Commission itself. This latter situation may be, at first glance, objectionable to some, but, in fact, it is a salutary one. It eliminates political control through any faction which may at the moment dominate city politics, and it makes for dignity and appeal insofar as the position of Utilities Commissioner is concerned. As is well known, being a member of the Orlando Utilities Commission is, and has been considered to be one, if not the highest, of civic honors. The experience has been that many, many men of high integrity and ability have been names to the Orlando Utilities Commission....who can exercise an objective judgement in matters relating to the proper maintenance and operation of the plant without being caught in the crossfire of political criticism. They have nothing to gain politically or otherwise, and their decisions do not have to be taken with an

eye to re-election. It is a notorious fact that it is difficult to operate a business objectively where there are political influences involved."

Mr. Evert Young, Consultant with Reynolds, Smith & Hills said:

"We as consultants have learned to live with a changing boss every year. I see new faces on the Commission. You learn to live with this. Your men and women who work in these departments read where this one wants to get rid of the electric system, because this is political talk. Some of them get jittery of this area. Periodically the managing director of the system, the City Manager, designs to move to greener pastures. The new man won't like what the predecessor does and he changes everything. This shakes up people. For running a $5 million dollar business, where your top management is constantly changing - it kind of makes you live within narrow limits. It does not permit you to express yourself. It inhibits. I don't want to say the type of government is not good. This is not true. When I see the electric system of this city, or any other city, become a political football, and it being the financial backbone of the community, I recognize that you need another type of management."

When asked if he foresaw a crisis in fulfilling the city's budget with the estimated loss of 1/2 million dollars, Mr. Young said:

"You need to have an austerity program."

This Committee therefore recommends that an Authority to be called THE FORT PIERCE UTILITIES AUTHORITY be created as follows:

(1) Member of the Authority:

A. The members of the Authority would be five persons, one of whom would be the Mayor-Commissioner who would be an Ex-Officio Member.

B. The other four members should meet the stringent qualifications as proposed in the Act.

C. The first four members should be elected by the City Commission to serve for an interim period until the close of the fiscal year. It is further recommended that the City Commission direct a citizens body to nominate the first four members.

D. At the end of the interim period, the City Commission should then elect the same four members to terms as follows:

One to one year.

One to two years.

One to three years.

One to four years.

E. As vacancies occur, either by expiration of terms or for other causes, the members of the Authority will nominate and the City Commission will elect from said nominations, the member to fill the vacancy. No Member will nominate his successor.

F. Members would serve four-year terms and no more than two consecutive terms.

G. The members of the Authority would serve without pay and only receive actual expenses.

(2) The Authority would meet twice monthly and elect their own officers.

(3) The Authority would have full power and authority to fix, regulate and collect rates and to operate and manage the electric, water, gas, sewage and related utilities.

(4) The City would continue to receive the same amount of free electric and water services.

(5) The Authority would have authority to issue bonds and to borrow money, to expand, construct and maintain its facilities.

(6) The Authority would employ and fix the compensation of the managing director and all its employees. The electric consultants would set the limits, both high and low, of the salary of the director, and stringent requirements of education and experience would be established for employment as outlined in the Act.

(7) All city employees would continue without loss of salary or benefits when placed under the supervision of the Authority. Department Heads and Assistant Department Heads would not be covered by Civil Service.

(8) The City would have the power to appropriate up to 40% of the estimated net revenues of the Authority on a monthly basis and to charge the Authority for services rendered by its various departments on a rule-of-thumb basis for six months and a cost-accounting basis thereafter.

(9) The Authority would prepare an annual budget which would be sent to the City Clerk for filing and to the City Commission for their review, and it would issue to the City Commission monthly statements of revenues and expenses as well as an annual Audit Report.

(10) The Authority would be required to set aside in a Depreciation and Reserve Account no less than 10% of its net revenues.

(11) The Authority would have the right to purchase and contract provided bids were received on amounts in excess of $2,000 for repair work, labor and materials and $1,500 for supplies, equipment and machinery. (It is recommended the Authority be given power to take what action as is necessary in an emergency situation.)

(12) The City Commission would have the right to remove any member of the Authority by a four-fifths vote for wrong doing or dereliction of duty.

Respectfully submitted,

Hudson C. Millar, Jr.
Chairman

Present at the final meetings which discussed in detail and adopted this Report were:

8/26 - when the Committee unanimously recommended a Utility Authority, at which time the Act was adopted 15 out of 17 members, or 88.2 %;

8/30 - when the Introduction was adopted 11 out of 16 members, or 68.8 %;

9/2 - when the Letter to accompany the Report was adopted, 8 out of 16 members or 50 %.

FEASIBILITY OF A UTILITIES AUTHORITY

FOR

THE CITY OF FORT PIERCE, FLORIDA

September 2, 1971

To: City Commission

From: Citizens Advisory Committee

1. INTRODUCTION

The great American Jurist and famed Chief Justice of the United States, John Marshall, once said, "The power to tax involves the power to destroy." Yet the renowned philosopher Cicero proclaimed, "Taxes are the sinews of the state." Obviously both men were right in that moderate taxation strengthens and feeds the growth of a city, whereas overtaxation stifles and destroys a city. In the opinion of this committee, the City of Fort Pierce presently finds itself in a near disastrous financial state due to the practice of its leaders over the years to siphon excessive revenue into the general fund from its utilities and particularly from the electric plant. The Fort Pierce City Government would both bankrupt and collapse if this continues.

The problem could not be solved by disposal or sale of the electric system as this would only necessitate increasing ad valorem millage 5.5 mills to a total of 10.3 mills as reported by William R. Hough & Co. on June 2, 1971. This would represent a 114.76% increase in ad valorem taxes. However, it is academic to anyone familiar with the state of the city's finances that this additional millage would be inadequate for two reasons: (1) The city is charging a larger share of its expenses and salaries to utilities than a cost accounting study would so allocate and (2) the city for the last three years has been operating at a deficit. (The deficit in the year ending September 1970 was $178,068.21.)

Even so, to raise ad valorem taxes sufficient to replace the income from utilities would force this tax so high that there would be a similar outcry from the people, as there now is against high electric rates. Furthermore, a sufficient ad valorem increase would require a referendum which would surely be defeated.

Since there is no other source or combined sources of taxation, other than ad valorem, which would bring in adequate revenues, income from utilities must be retained at sufficient levels to maintain the city government and to

provide the services demanded by the people.

On the other hand, the obvious reason for the near disastrous financial state of affairs is that over the years it has been politically expedient to tax the people through the electric system.

Many of the city leaders will argue against this position by crying out that electric rates in Fort Pierce are comparable to other similar Florida cities and essentially identical with Florida Power and Light Company. These advocates of good tidings have overlooked two basic premises:

(1) The electric rate to the customer is the end rate paid by that customer including all taxes, adjustments, fees and charges and NOT the basic rate.*

(2) Any charge for electricity over the cost of producing and distributing it (net operating income less debt service and depreciation) is nothing more than a tax to the electric customer.

Since there is no system of cost accounting to accurately allocate department expenses and salaries, it is impossible to ascertain the amount of that portion which is tax and that portion which is cost.

The rule-of-thumb method of allocating department expenses and salaries to utilities simply is an expediency which has been going on for approximately half a century as passed on from one department head to his successor. The 1964 report of the Utilities Fact Finding Committee states:

> "One reason we feel that net profits are not what they should be, can be found in the unusually high administrative charges made against both operations ($79,570 against electric and $34,061 against water - a total of $113,631)...These charges represent an arbitrary percentage of the salaries of various city officials charged against utility operations."

Now, seven years later the 1970-71 budget calls for a whopping $461,459 to be charged to utilities for administrative services. This is in addition to the legal 40% the city takes of the net revenues of the electric fund which is budgeted at $637,841 and the $221,542 from the other utilities, a legal total of $859,383.

This means that the City of Fort Pierce budgeted for the 1970-71 fiscal year $1,320,842 from total utility revenues to contribute to the payment of all salaries and expenses for the performance of ALL services, including service to utilities.

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* In the comparison of monthly electric rates with other electric utilities in the feasibility report by R. W. Beck and Associates the City of Tallahassee's published rates include the 1-1/2% state gross receipts tax.

It would appear that city leaders for over a decade have been avoiding precise cost accounting in fear that the funds supplied by the utilities to pay for a large portion of the cost of total city services and operations might be curtailed; perhaps drastically.

Furthermore, this committee submits that it has been politically expedient to allow the percentages charged against utilities, as their share of costs, to be on the high side when salary raises were given or new services personnel or facilities added to prevent the political undesirability of seeking new taxes, such as reasonable raises in ad valorem, which sits among the lowest in the State of Florida. This entire procedure is a severe weakness of the Fort Pierce City Government in that it permits the City Commission simply to approve expenditures without due process of taxation, for all they need do is budget the new expense and set the charges against the utilities accordingly.*

The percentage of total expenses including salaries each department charges to utilities is:

*Data Processing	100%
Customer Service	100%
Utilities Accounting	100%
City Commission	40%
City Manager's	40%
City Attorney	10%
City Clerk's	25%
Retirement Administration	50%
Personnel Department	75%
General Accounting	50%
Safety Department	50%
Purchasing Department	50%
Warehousing	75%
Finance Administration	75%
Engineering	30%
Director of Public Works	30%
City Garage	20%
Audit	60%

*TO BE REVISED IN NEW FISCAL YEAR

To put it more aptly, there is little check on the City Commission under the present system to keep them from dipping in the revenues of the utilities at their beck and whim when they decide to add or expand services or facilities or to give a pay raise or add personnel, which in effect is nothing more than a tax on utilities and thus the people. Just as obvious is the fact that if these revenues

*Witness the recently purchased City Hall which was bought at a cost of $200,000 with electric funds with an additional $150,000 allocated for renovation. This $350,000 is difficult to justify when reserves and revenues won't permit the expansion recommended by the consultants and the needed 50,000 kw generator had to be reduced to a 40,000 kw, thus not fulfilling adequate needs for electricity in the mid 70's.

were not siphoned off, the utilities would either have larger reserves to meet the needs of adequate expansion, which has not been the case to date, or rates could be reduced to customers.

It might be pointed out here that Jacksonville in their charter requres 10% of its annual net revenues for the previous year to be set aside in a depreciation and reserve account which must be used exclusively for enlargements, extensions, improvements and replacements of the electric system; not so in Fort Pierce where only 2 1/2% depreciation is funded to reserves.

The system of rule-of-thumb allocation of department expenses to utilities and the consequential operation of the city with substantial funds supplied by utility revenues has worked reasonably well over the years until electric rates (the end rate paid by the consumer including all taxes and charges) to Fort Pierce customers surpassed those charged by Florida Power and Light Company. This was due to three events.

(1) The imposition of a 10% city utility tax on electric rates, which was subsequently pledged on the last series of sewer bonds.

(2) The increase in the price of Bunker C, Number 6 fuel oil.

(3) The increase in the price of gas, which in the Fort Pierce contract is hooked to the price of fuel oil.

The City Commission thus found itself in a similar condition to a speculator who is short when his stock is called. Since there was no slack in utility financing either in surplus reserves above bonding and normal replacement needs, nor in the ability to reduce the flow of funds from the utilities to the city to support its operation, the City Commission was forced to make a critical decision--either raise electric rates or adopt one of the following alternatives:

(1) Implement an austerity program such as is being effected by President Nixon* on the federal level and in New York on the state level, both of which call for drastic reductions in expenditures, re-examination towards curtailing, eliminating or postponing programs and reduction in personnel.

(2) Increase ad valorem taxes.

(3) Impose such new taxes as are available to the city.

(4) Re-examine purchasing techniques to establish additional sources of fuel oil rather than the one bidder and conduct a cost study regarding purchasing and storing fuel in

*On August 15, 1971 President Nixon acted to cut 4.7 billion of the budget for the fiscal year starting July 1 by reducing federal jobs 5%.

larger quantities including the possibility of resale to other cities.

(5) Take aggressive direct action to break the contract with Florida Gas Transmission and to file suit for damages under the Anti-Trust Laws.

Since the price of fuel oil started increasing in June, 1970, on world markets, the City Commission had adequate time to make this decision. They, in fact, postponed any electric rate increase for a period of approximately seven months until the electric consultants warned that anticipated losses were about to exceed $500,000 and further delay would jeopardize the entire financial structure of the electric system.

In essence, the Citizens Advisory Committee over its five-month study of the feasibility of a utilities authority has determined that the fault lies not with any one person, but with the system of City government itself through which vital management decisions evolve or in many cases fail to evolve or evolve too late.

Deficiencies in this management process again and again have been pointed out to this committee by former mayors, commissioners, and various authorities and community leaders, as well as through the process of interviews of its sub-committees. Weaknesses in the present system of management are as follows:

(1) CITY MANAGER, who is in effect the President and Chief Operating Officer of the utilities, which is a major size business:

* (A) The turnover in City Managers has been so great that continuity of management is lacking. This causes periods of indecision, delayed decisions and lack of continuous managerial direction and department coordination. It obviously takes considerable time for a new City Manager to pick up where his precedessor left off.

(B) City Managers over the years have not been schooled sufficiently in utility operations, particularly electrical. It should be noted that most utility directors hold an engineering degree, many specifically in electrical engineering.

(C) City Managers have so many other duties to perform that they don't have adequate time to devote to utilities, particularly electric. Consequently, hasty or low-level management decisions have often been made and coordination of the departments at times has been lacking.

---

* TERMS OF OFFICE OF CITY MANAGERS AND MAYORS OF FORT PIERCE, FLORIDA

Date Employed	Date Terminated	Name of Manager	Mayors Under Whom Managers Served
1949	Sep't. 1955	N. F. Stanton	Frank Fee J. B. Brewer W. Sample
Feb. 1956	Sep't. 1958	W. F. Johnson	Ray Padgett Bernard Rubin
Sep't. 1958	Oct. 1963	J. Floyd Glisson	Bernard Rubin Jim Howe Ray Padgett Red O'Laughlin
March,1964	Feb. 1967	Alfred Harding	William Dannehower
July, 1967	Dec. 1969	George Adkins	Milton Tucker
Dec., 1969	TO DATE	Milton Davis	Dennis Summerlin

(2) CITY COMMISSIONERS, who are in effect the Board of Directors of the Utilities and who are responsible for major policy decisions.

(A) City Commissioners only serve for a two-year term. Often they don't succeed themselves. Considering it takes eight to ten months to understand the elementary fundamentals of city finance and operation, it is impossible for them in their first term of office to become more than casually acquainted with utility financing and operation. unfortunately they are at the mercy of the City Manager, the Consultant Engineers and the Bonding Company. There is no expert to act as a buffer to protect the people from the vested interests other than the City Manager, who often has insufficient knowledge in such areas.

(B) The City Commissioners serve at meager pay and although true devoted public servants, they have limited time to give to utilities due to all the other problems facing the city and the continuous demands of the voters.

Through the management process of decision making, which is inhibited by the system, bad decisions have literally cost Fort Pierce thousands, if not hundreds of thousands of dollars over the years and has curtailed its growth. This Committee submits the following as examples, not to point to any one individual, but to lay bare the inefficient system in order that a better system can be evolved.

(1) VITAL MISTAKE NUMBER ONE

Failure to negotiate a contract with Florida Gas Transmission with a ceiling on escalation and agreeing to a contract with the price of gas hooked to the price of fuel.

(A) Although it is easy to lay it off to the old saying that hindsight is better than foresight, this committee invites comparison of the negotiations of executives representing industry and those representing government. (No attempt is made to be all inclusive. The source of this information is the petition filed by the Fuels Committee of the Florida Municipal Utilities Association before the Federal Power Commission in the case of Humble Oil & Refining Co., et al, Docket No. CI 71-219).

(a) INDUSTRIAL COMPANIES WITH NO FUEL ESCALATION CLAUSES:

	Name	Place
1.	Adams Packing Association, Inc.	Auburndale
2.	Armour Agriculture & Chemical Co.	Bartow
3.	Armour Agriculture & Chemical Co.	Port St. Joe
4.	Basic Magnesia, Inc.	Port St. Joe
5.	Central Phosphates, Inc.	Plant City
6.	Coca-Cola Co. - Foods Division	Auburndale-Plymouth
7.	Deseret Farms of Florida, Inc.	Melbourne
8.	Edgar Plastic Kaolin Co.	Edgar
9.	Florida Citrus Canners Coop.	Lakeland
10.	Libby, McNeil & Libby	Ocala
11.	National Gypsum	Tampa
12.	Plymouth Citrus Products Coop.	Plymouth
13.	Pratt & Whitney Aircraft	West Palm Beach
14.	Suni-Citrus Products Corp.	Haines City
15.	Swift & Co.	Ocala
16.	Tennessee Corporation	Tampa
17.	Wenczel Tile	Tampa

Name	Place

(b) INDUSTRIAL COMPANIES WITH UNLIMITED FUEL OIL ESCALATION CLAUSES:

1. Borden Co., The .....Plant City
2. Buckeye Cellulose Corp. .....Foley
3. CF Chemicals, Inc. .....Bartow
4. Davison Chemicals .....Bartow
5. Farmland Industries, Inc. .....Lakeland
6. Hudson Pulp & Paper Corporation .....Palatka
7. International Min. & Chem. Corp. .....Bartow
8. State of Florida - Raiford Prison .....Raiford
9. Swift & Co. .....Bartow

(c) INDUSTRIAL COMPANIES WITH LIMITED FUEL OIL ESCALATION CLAUSES:

1. Dixie Lime & Stone Co. .....Ocala
2. Meyer Goldman, Trustee .....St. Cloud

(d) MUNICIPAL ELECTRIC UTILITIES WITH UNLIMITED FUEL OIL ESCALATION CLAUSES:

1. Fort Pierce
2. Homestead
3. Kissimmee
4. Lakeland
5. Sebring
6. Starke
7. Tallahassee

(e) MUNICIPAL ELECTRIC UTILITIES WITH LIMITED FUEL OIL ESCALATION CLAUSES:

1. Gainesville
2. Orlando
3. Vero Beach

It should be pointed out that the cities of Lake Worth, New Smyrna Beach and Saint Cloud, all with utilities authorities, purchase natural gas fuel supplies through local distributors which in turn are supplied by Florida Gas Transmission Company. These distributors are regulated by the Florida Public Service Commission and the gas cost escalation for them is about 18% as compared to the current 80% or more increase for Fort Pierce.

Our neighbor to the North, Vero Beach, was fortunate in having executive leadership that insisted on a ceiling on escalation and thus contracted for a limited escalation of no more than 4.1¢ per therm, where larger Orlando with their Utilities Commission gained an even better contract with a limitation of 6.0¢ per therm.* Each of these cities contracted for a base rate of 3.45¢ per therm. Seven cities out of the ten including Fort Pierce, who buy gas direct, failed to insist on a limitation of escalation and thus gave Florida Transmission a windfall contract. Nineteen of the 28 listed major industries secured a limitation contract with 17 of 19 demanding and getting a contract with no fuel escalation clauses.

* Upon investigation, it was discovered that the contract between Florida Gas Transmission and Vero Beach was signed in February 1962 and calls for a base rate of 3.45¢ per therm with a ceiling on escalation of 4.1¢ per therm.

Furthermore, it was found that the Orlando contract was signed in 1960 and calls for a base rate of 3.45¢ per therm with a ceiling on escalation of 6.0¢ per therm.

Fort Pierce's contract signed with an unlimited escalation in March, 1964

calls for exactly the same base rate (price paid for gas) as Vero Beach and Orlando, 3.45¢ per therm.

(Exhibit #1. Letter from Mr. Stephen P. Willis, Manager, Public Relations and Staff Operations Department, Orlando Utilities Commission and letter and copy of contract for gas from Mr. Kenneth W. Morgan, Director of Utilities, City of Vero Beach.)

Certainly there is no assurance that Fort Pierce would have faired any better under a different system of management decision, but the odds are high they would have and thus would have saved thousands of dollars now being charged customers in higher electric rates.

(2) VITAL MISTAKE NUMBER TWO

Renewal of the existing contract with Florida Gas Transmission for an additional ten years in February, 1970 at a time when there were rumblings in world capitals as carried in various business and financial journals on the approaching Mid-East Oil Crisis, which obviously could only lead to higher fuel prices.

(3) VITAL MISTAKE NUMBER THREE

Failure of the management decision system to anticipate the rise in fuel oil, particularly from Mid June, 1970 when the Mid East countries withheld oil from western sales. The additional failure to take steps to seek and establish possible new and more competitive sources for the supply of fuel as well as to revise the tax balance and to establish new sources of funds through taxation so that electric rates would not rise to such outlandish levels.

(A) This committee submits that if the electric system were under a different type of management which had both the sole interest and the time that the following steps would have been taken:

1. The old, out-of-date, antiquated and fully insufficient list to which bids are sent annually for Bunker "C" fuel oil would have been revised and every effort would have been made to secure additional bids over the solitary bid which has been received for the past several years. As of Mid August, 1971, the Purchasing Department had not been requested to attempt to secure new and additional sources of supply of fuel oil. It should furthermore be noted that the list contains obvous names of companies that don't sell Bunker "C" fuel oil and in addition depends on local bulk plants to forward the bid invitation on to their parent or suppliers.

* LIST OF COMPANIES RECEIVING AN INVITATION TO BID ON BUNKER "C" FUEL OIL FOR THE FORT PIERCE POWER PLANT AS OF NOVEMBER, 1970.

THE PURE OIL COMPANY, P.O. Box 1630, Tampa, Florida
TEXACO, INC., P.O. BOX 40, Orlando, Florida
STANDARD OIL COMPANY, P.O. BOX Z, Jacksonville, Florida
BELCHER OIL COMPANY, P.O. BOX 87, Port Canaveral, Florida
BELCHER OIL COMPANY, P.O. BOX 1751, Miami, Florida
EARMAN OIL COMPANY, P.O. BOX 1630, VERO BEACH, FLORIDA
TEXACO COMPANY, INC. P.O. Box 9, Fort Pierce, Florida
AMERICAN OIL COMPANY, P.O. Box 3310, Fort Pierce, Florida
GULF OIL CORPORATION, P.O. Box, Orlando, Florida
TREASURE COAST OIL COMPANY, 911 North 2nd Street, Fort Pierce, Florida
MID FLORIDA OIL COMPANY, Cape Kennedy, Florida

2. A detailed cost study would have been made on feasibility of increasing fuel storage capacity, deepening of the channel to take small tankers, the possibility of buying fuel oil by the tanker load instead of 15,000 barrel barges and the possibility of resale of fuel oil to Vero Beach and inland cities.

* See Exhibit #2 attached hereto, consisting of questionaires and responses from oil companies.

FEASIBILITY OF A UTILITIES AUTHORITY

FOR

THE CITY OF FORT PIERCE, FLORIDA

SEPTEMBER 2, 1971

EXHIBIT #1 (9) PAGES

(See notation Page 12 of Section 1, Introduction)

EXHIBIT #1
Page 1

CITY OF FORT PIERCE
Florida

DIRECTOR OF FINANCE

City Hall, 315 Avenue "A", FORT PIERCE, FLORIDA

August 13, 1971

Mid Florida Oil Company
Cape Kennedy, Florida 32815

Dear Sirs:

The Citizens Advisory Committee of the city of Fort Pierce is undertaking a study of the feasibility of a utilities authority. City records indicate that annually you have been receiving an invitation to bid on Bunker "C" Fuel Oil, Number 6.

Will you please fill out and return the enclosed questionaire. It is hoped that our study will result in more efficient operation of the city utilities which would lead to lower electric rates.

Sincerely yours,

Hudson C. Millar, Jr.
Chairman

P.S. A self stamped envelope is enclosed for your convenience. Please help us and return the questionaire today.

HCM

HCM:ek
Encs.

OF FORT PIERCE
Florida
Avenue A, P. O. Box 1480
erce, Florida 33450

RETURNED TO SENDER
REASON CHECKED
Unclaimed ___ Refused ___
Addressee unknown ___
Insufficient Address ___
No such street ___ number ___
No such office in state ___
Do not remail in this envelope

MID FLORIDA OIL CO.
CAPE KENNEDY, FLORIDA 32815

14 AUG 1971

EISENHOWER·USA

Exhibit #1 Page 10

Exhibit #1
Page 2

SPECIFICATIONS FOR BUNKER "C" FUEL OIL SENT TO:

THE PURE OIL COMPANY, P.O. BOX 1630, TAMPA, FLORIDA

TEXACO, INC., P. O. BOX 40, ORLANDO, FLORIDA

STANDARD OIL COMPANY, P. O. BOX Z, JACKSONVILLE, FLORIDA

~~BELCHER OIL COMPANY, P. O. BOX 87, PORT CANAVERAL, FLORIDA~~

~~BELCHER OIL COMPANY, P. O. BOX 1751, MIAMI, FLORIDA~~

EARMAN OIL COMPANY, P. O. BOX 1630, VERO BEACH, FLORIDA

TEXACO COMPANY, INC., P. O. BOX 9, FORT PIERCE, FLORIDA

AMERICAN OIL COMPANY, P. O. BOX 3310, FORT PIERCE, FLORIDA

GULF OIL CORPORATION, P. O. BOX 1713, ORLANDO, FLORIDA

TREASURE COAST OIL COMPANY, 911 NORTH 2ND STREET, FORT PIERCE, FLORIDA

MID FLORIDA OIL COMPANY, CAPE KENNEDY, FLORIDA

Belcher Oil was not sent questionaire since they are the sole bidder.

PAGE 5 TEXACO

CITIZENS ADVISORY COMMITTEE QUESTIONAIRE

August 16, 1971

TO: TEXACO INC.

Fort Pierce records indicate that on approximately November 5, 1970 your company received a call for bids No. 877 to bid on: Bunker "C" Fuel Oil, number 6 - annual supply.

(A) Did you receive said invitation to bid? ✓ Yes ___ No
(B) Do you sell Bunker "C" Fuel Oil? ✓ Yes ___ No
(C) Are you associated in any way with a company that sells Bunker "C" Fuel Oil? ___ Yes ✓ No
(D) Please explain association:

☆ — TEXACO INC. DOES NOT HAVE BUNKER "C" AVAILABLE IN THE FORT PIERCE MARKET AT THIS TIME.

(E) Did you bid for your company? ___ Yes ✓ No
(F) If you did not bid, please give reason:

SEE (D)

(G) Did you pass on the invitation to bid to someone else? ___ Yes ✓ No

If you passed it on, to whom?

Name of Invidiual _____

Name of Company _____

Address _____

Phone (Code) _____

(H) Were you aware that the bid called for an estimated ~~2000,000~~ 200,000 barrels, sulphur content not to exceed 1.75%? ✓ Yes ___ No

Enclosed is the entire list of companies to which the city annually submits invitations to bid.

Do you think the list is adequate? ✓ Yes ___ No

(I) As you know only one bid was received. Please list any information or suggestions which you think would be helpful to the city of Fort Pierce in:

(a) Securing additional sources of supply.
(b) Securing more than one bid.
(c) Securing a better price.

INCLUDE ALL FUELS AND LUBRICANTS ON ONE BID. WE WILL CONSIDER SUPPLYING BUNKER "C" FUEL ON THIS BASIS -

(K) Please list the names and addresses of any publications which might give us the names of companies which might be able to supply Bunker "C" Fuel Oil.

UNKNOWN -

TEL. 633-8516

YOUR NAME NORMAN S. LYNCH

Phone (Code) 305- 6338516

N. S. LYNCH

DISTRICT SALES SUPERVISOR
TEXACO INC.

3975 N. W. S. RIVER DR.
P. O. BOX 203 IAB
MIAMI, FLA. 33148

Page 4

TEXACO

PETROLEUM PRODUCTS

ORLANDO DISTRICT

TEXACO INC.
P. O. BOX 20294
ORLANDO, FLORIDA 32814

August 16, 1971

Mr. Hudson C. Millar, Jr.
P. O. Box 3032
Ft. Pierce, Florida 33450

Dear Sir:

Reference is made to your letter of August 13th and attached questionaire.

As the City of Fort Pierce is handled by our Miami district, I am forwarding your request to Mr. N. S. Lynch, Texaco, Inc., P. O. Box 203 (IAB), Miami, Florida, 33148 for his further reply to your request.

Yours very truly,

C. G. Snidow

CGS/sw

NSL

CITIZENS ADVISORY COMMITTEE QUESTIONAIRE

August 16, 1971

TO: Warren C Sheldon Jr. Chairman

Fort Pierce records indicate that on approximately November 5, 1970 your company received a call for bids No. 877 to bid on: Bunker "C" Fuel Oil, number 6 - annual supply.

(A) Did you receive said invitation to bid? ✓ Yes ___ No
(B) Do you sell Bunker "C" Fuel Oil? ___ Yes ✓ No
(C) Are you associated in any way with a company that sells Bunker "C" Fuel Oil? ✓ Yes ___ No
(D) Please explain association:

Occasional purchase from Belcher Oil

(E) Did you bid for your company? ___ Yes ✓ No
(F) If you did not bid, please give reason:

Stated above (B)

(G) Did you pass on the invitation to bid to someone else? ___ Yes ✓ No

If you passed it on, to whom?

Name of Invididual ___

Name of Company ___

Address ___

Phone (Code) ___

(H) Were you aware that the bid called for an estimated ~~2000,000~~ 200,000 barrels, sulphur content not to exceed 1.75%? ✓ Yes ___ No

Enclosed is the entire list of companies to which the city annually submits invitations to bid.

Do you think the list is adequate? ✓ Yes ___ No

(I) As you know only one bid was received. Please list any information or suggestions which you think would be helpful to the city of Fort Pierce in:

(a) Securing additional sources of supply.
(b) Securing more than one bid.
(c) Securing a better price.

(K) Please list the names and addresses of any publications which might give us the names of companies which might be able to supply Bunker "C" Fuel Oil.

YOUR NAME Treasure Coast Oil Inc.

Phone (Code) 464 2201

CITIZENS ADVISORY COMMITTEE QUESTIONAIRE

Page 6

August 16, 1971

TO: _____

Fort Pierce records indicate that on approximately November 5, 1970 your company received a call for bids No. 877 to bid on: Bunker "C" Fuel Oil, number 6 - annual supply.

(A) Did you receive said invitation to bid? ✓ Yes ___ No
(B) Do you sell Bunker "C" Fuel Oil? ___ Yes ✓ No
(C) Are you associated in any way with a company that sells Bunker "C" Fuel Oil? ___ Yes ✓ No
(D) Please explain association:

_____

_____

(E) Did you bid for your company? ___ Yes ✓ No
(F) If you did not bid, please give reason:

NO SOURCE OF SUPPLY

_____

(G) Did you pass on the invitation to bid to someone else? ___ Yes ✓ No

If you passed it on, to whom?

Name of Invididual _____

Name of Company _____

Address _____

Phone (Code) _____

(H) Were you aware that the bid called for an estimated ~~2000,000~~ 200,000 barrels, sulphur content not to exceed 1.75%? ✓ Yes ___ No

Enclosed is the entire list of companies to which the city annually submits invitations to bid.

Do you think the list is adequate? ✓ Yes ___ No

(I) As you know only one bid was received. Please list any information or suggestions which you think would be helpful to the city of Fort Pierce in:

(a) Securing additional sources of supply.
(b) Securing more than one bid.
(c) Securing a better price.

THERE IS ONLY ONE SOURCE OF SUPPLY ON EAST COAST YOU MIGHT TRY TAMPA TERMINALS.

(K) Please list the names and addresses of any publications which might give us the names of companies which might be able to supply Bunker "C" Fuel Oil.

_____

_____

_____

YOUR NAME EARMAN OIL CO INC

Phone (Code) 461-5575

CITIZENS ADVISORY COMMITTEE QUESTIONAIRE GULF OIL CO.

August 16, 1971

TO: City of Ft. Pierce Fla. from: Gulf Oil Co-C.S.

Fort Pierce records indicate that on approximately November 5, 1970 your company received a call for bids No. 877 to bid on: Bunker "C" Fuel Oil, number 6 - annual supply.

(A) Did you receive said invitation to bid? ✓Yes ___No
(B) Do you sell Bunker "C" Fuel Oil? ✓Yes ___No
(C) Are you associated in any way with a company that sells Bunker "C" Fuel Oil? ___Yes ___No
(D) Please explain association:

(E) Did you bid for your company? ___Yes ✓No
(F) If you did not bid, please give reason:

We Presently have product at nearest terminal (Tampa Florida)

(G) Did you pass on the invitation to bid to someone else? ___Yes ✓No

If you passed it on, to whom?

Name of Invidiual —

Name of Company

Address

Phone (Code)

(H) Were you aware that the bid called for an estimated ~~2000,000~~ 20,000 barrels, sulphur content not to exceed 1.75%? ✓Yes ___No

Enclosed is the entire list of companies to which the city annually submits invitations to bid.

Do you think the list is adequate? ✓Yes ___No

(I) As you know only one bid was received. Please list any information or suggestions which you think would be helpful to the city of Fort Pierce in:

(a) Securing additional sources of supply.
(b) Securing more than one bid.
(c) Securing a better price.

(K) Please list the names and addresses of any publications which might give us the names of companies which might be able to supply Bunker "C" Fuel Oil.

—

YOUR NAME J L Lowe

Phone (Code) (904) 355-6402

P.O. Box 4490
Jacksonville, Fla 32201

Exhibit #1 Page 8

CITIZENS ADVISORY COMMITTEE QUESTIONAIRE

August 16, 1971

TO: M. Hudson C. Miller L.

Fort Pierce records indicate that on approximately November 5, 1970 your company received a call for bids No. 877 to bid on: Bunker "C" Fuel Oil, number 6 - annual supply.

(A) Did you receive said invitation to bid? ___Yes ✓No
(B) Do you sell Bunker "C" Fuel Oil? ✓Yes ___No
(C) Are you associated in any way with a company that sells Bunker "C" Fuel Oil? ✓Yes ___No
(D) Please explain association:

Commercial Dept. — American Oil Co - Atlanta, Ga.

(E) Did you bid for your company? ___Yes ✓No
(F) If you did not bid, please give reason:

Bid request not rec'd - th- Atla-

(G) Did you pass on the invitation to bid to

If you passed it on, to whom?

Name of Invidividual

Name of Company

Address

Phone (Code)

(H) Were you aware that the bid called for a 2000,000 barrels, sulphur content not to 2½,000

Enclosed is the entire list of companies to which to bid.

Do you think the list is adequate? ✓Yes ___No

(I) As you know only one bid was received. Please list any information or suggestions which you think would be helpful to the city of Fort Pierce in:

(a) Securing additional sources of supply.
(b) Securing more than one bid.
(c) Securing a better price.

Letters were sent to the proper address of each supplier as that was available to those who do handle Bunker C Fuel

(K) Please list the names and addresses of any publications which might give us the names of companies which might be able to supply Bunker "C" Fuel Oil.

AMERICAN OIL COMPANY
6 EXECUTIVE PARK DRIVE, N. E., ATLANTA, GEORGIA 30329
H. J. LINDENBAUM
Staff Engineer

AMERICAN OIL COMPANY
1711 N.E. 40th COURT • FORT LAUDERDALE, FLORIDA
C. C. SOBECK
Lubrication Engineer
Telephone: 305 - 523-0571
Home: 305 - 564-3605

YOUR NAME H. J. Lindenbaum

Phone (Code) 404/634-6611

AMERICAN OIL COMPANY
POST OFFICE BOX 5077
ATLANTA, GA. 30302
ATTN: FILE M-2

Exhibit #1
Page 9

SPECIFICATIONS FOR BUNKER "C" FUEL OIL SENT TO:

THE PURE OIL COMPANY, P.O. BOX 1630, TAMPA, FLORIDA

TEXACO, INC., P. O. BOX 40, ORLANDO, FLORIDA

STANDARD OIL COMPANY, P. O. BOX Z, JACKSONVILLE, FLORIDA

BELCHER OIL COMPANY, P. O. BOX 87, PORT CANERVAL, FLORIDA

BELCHER OIL COMPANY, P. O. BOX 1751, MIAMI, FLORIDA

EARMAN OIL COMPANY, P. O. BOX 1630, VERO BEACH, FLORIDA

TEXACO COMPANY, INC., P. O. BOX 9, FORT PIERCE, FLORIDA

AMERICAN OIL COMPANY, P. O. BOX 3310, FORT PIERCE, FLORIDA

AMERICAN OIL COMPANY
POST OFFICE BOX 5077
ATLANTA, GA. 30302
ATTN: FILE M-2

GULF OIL CORPORATION, P. O. BOX 1713, ORLANDO, FLORIDA

TREASURE COAST OIL COMPANY, 911 NORTH 2ND STREET, FORT PIERCE, FLORIDA

MID FLORIDA OIL COMPANY, CAPE KENNEDY, FLORIDA

AMERICAN OIL COMPANY
POST OFFICE BOX 5077
ATLANTA, GA. 30302
ATTN: FILE M-2

FEASIBILITY OF A UTILITIES AUTHORITY

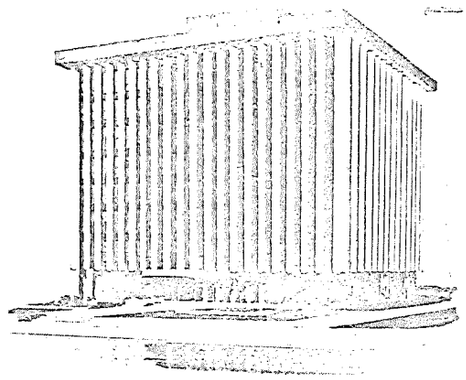
FOR

THE CITY OF FORT PIERCE, FLORIDA

SEPTEMBER 2, 1971

EXHIBIT #2 (10) PAGES

(See notation bottom of page 12 of Section 1, Introduction)



Orlando Utilities Commission

500 SOUTH ORANGE AVENUE
P.O. BOX 3193 • ORLANDO, FLORIDA 32802 • TELEPHONE 305/841-1230

R. H. LAWRENCE, PRESIDENT
DICK SIMPSON, FIRST VICE PRESIDENT
SAM G. WILKINS, SECOND VICE PRESIDENT
CARL T. LANGFORD, MAYOR
TOM DENMARK, COMMISSIONER

CURTIS H. STANTON
EXECUTIVE VICE PRESIDENT

August 26, 1971

Mr. Hudson Miller
Radio Station WIRA
Post Office Box 3032
Ft. Pierce, Florida 33450

Dear Mr. Miller:

Following is the information you requested concerning our gas costs:

Primary Interruptible Base Price .....30.1¢/M²BTU
Based on a monthly charge of 23¢/M²BTU to Florida Gas Company by Coastal Transmission Corporation

Preferred Interruptible Base Price .....34.5¢/M²BTU
Based on a monthly charge of 25¢/M²BTU to Florida Gas Company by Coastal Transmission Corporation

Preferred base price escalates as follows:

There shall be added to the Base Price each month .01587¢ per therm* for each full one cent per barrel that the monthly average of the daily prices per barrel of Bunker "C" fuel oil for such month (as quoted by Platt's Oilgram, ex lighterage, for Port of Tampa, Florida) exceeds $2.34, provided, however, that the total increase of the Monthly Base Rates due to adjustment under this paragraph shall not exceed .6¢ per therm.

*10 therms = 1 M²BTU

Let me know if I can be of any further assistance in any way.

Sincerely,

Stephen P. Willis

STEPHEN P. WILLIS
Manager, Public Relations &
Staff Operations Department

SPW: hf

City of Vero Beach
1053 - 20th PLACE
VERO BEACH, FLORIDA - 32960
Telephone 567-5151

KENNETH W. MORGAN
DIRECTOR OF UTILITIES

September 2, 1971

Mr. Hudson C. Miller
Radio Station WIRA
Post Office Box 3032
Fort Pierce, Florida 33450

Dear Mr. Miller:

Pursuant to our telephone conversation yesterday and at your request, I am enclosing our gas contract dated March 31, 1959, and the latest amendment dated December 20, 1962.

Also, for your information, I quote our latest oil contract prices: Bunker "C" Fuel Oil--$3.85/Bbl., and No. 2 Diesel Fuel--$0.1163/Gal. The above prices contain the usual price escalator clauses as indicated by Humble Oil Company and as shown in Platt's Oilgram for Gulf Coast Deliveries.

Please notify me if I may be of further service. As you may know I have some twenty-two years of utility experience; sixteen with Investors Electric Utilities and five with municipals. Therefore, I feel that I may be qualified to render assistance in the situation that is currently facing Fort Pierce.

Sincerely,

CITY OF VERO BEACH

Kenneth W. Morgan
Director of Utilities

KWM/mm
Encls. two
cc: File

Exhibit #2
Page 3

PREFERRED INTERRUPTIBLE CONTRACT

(DIRECT SALE)

Vero Beach, Florida, Florida

City Hall,
(Address)

March 31, 1959
(Date)

Houston Texas Gas and Oil Corporation
Post Office Box 10400
St. Petersburg 33, Florida

Gentlemen:

We are advised that the Federal Power Commission has issued to you a certificate of public convenience and necessity to construct and operate an interstate gas transmission system from Louisiana to Florida and that, in addition to supplying gas at wholesale to distributors, you will make direct sales of gas to industrial customers. We understand that initially you will receive for delivery an average of approximately 280 million cubic feet of gas per day for a term of 20 years from Coastal Transmission Corporation (Coastal) at the point of connection of the two systems in Louisiana, and that you propose to obtain the right to purchase at least 400 billion cubic feet of deliverable natural gas reserves, in addition to your present reserves, over a 20-year period, and to expand your system delivery capacity therefor.

We are the owner and operator of certain industrial facilities, more particularly described as follows:

Plant	Location
Power Plant	Vero Beach, Florida

You (Seller) desire to sell and we (Buyer) desire to purchase from Seller natural gas for our use (and not for resale) in said plant, as herein provided. Therefore, Buyer agrees to purchase from Seller such quantity of natural gas as Seller may have available up to 15,000 therms per day, the maximum daily contract quantity, and Seller agrees to supply the same to the extent that it has gas available, subject to the terms and conditions herein, it being agreed that delivery is subject to curtailment or interruption on a preferred interruptible basis (that is, interruptible at the discretion of Seller but only after all primary interruptible

gas deliveries of Seller have been interrupted); Buyer to have not less than two hours' notice of curtailment or interruption orally or in writing if reasonably possible; provided that this shall not apply when caused by conditions of force majeure. Whenever, and to the extent that, Seller is unable to deliver such maximum amount requested by Buyer, Buyer shall have the right to purchase gas sufficient to make up such deficiency from such other source as may be available to Buyer.

Any gas taken by Buyer after the effective hour of an order calling for a complete curtailment of all gas deliveries hereunder shall be considered to be unauthorized over-run gas. Seller shall bill, and Buyer shall pay, for such unauthorized over-run gas at the rate of $1.50 per therm, in addition to the regular charge hereunder for such gas. The payment of an over-run penalty shall not, under any circumstances, be considered as giving Buyer the right to take unauthorized over-run gas, nor shall such payment be considered to exclude or limit any other remedies available to Seller against the Buyer for failure to comply with curtailment orders issued by Seller hereunder.

This agreement shall be effective from the date hereof, and the service hereunder (including the sales of natural gas by Seller to Buyer, and the purchases thereof by Buyer from Seller, as contemplated hereunder) shall continue for a period of twenty (20) years from and after the date delivery of natural gas shall commence hereunder; and from year to year thereafter, provided that at least 90 days prior to the end of any such yearly period either Buyer or Seller may terminate.

The gas shall have a total heating value of not less than 950 BTU per cubic foot of dry gas, and shall be merchantable; provided that moisture, impurities, helium, natural gasoline, butane, propane, ethane and other hydrocarbons except methane may be removed by Seller.

The total heating value of the gas shall be determined by Seller by using Thomas or other standard type of recording calorimeter, located at a suitable point on Seller's line, in order that the BTU content of the gas delivered may be obtained. The monthly arithmetical average of the daily readings from the records so obtained shall be corrected to the basis of measurement provided, and from a saturated basis to the average moisture content of the gas delivered, the result being the BTU content of the gas delivered during that billing month. In the event that Seller's recording calorimeter has not been installed or is not operating properly, the total heating value shall be determined from a recording calorimeter properly installed and operated by Seller's supplier. The degree of saturation of water vapor of the gas delivered shall be determined at least once monthly, on a day as near the first day of each month as practical, and shall be properly taken into account in determining the total heating value and quantity of gas delivered hereunder. The average absolute atmospheric pressure shall be assumed to be 14.65 pounds to the square inch, irrespective of actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure. The term "cubic foot of gas" shall mean the amount of gas required to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a temperature of 60° Fahrenheit, and the term "therm" shall mean 100,000 British thermal units. The measuring equipment shall be installed and maintained by Seller, although Buyer may maintain check measuring equipment on the property of Buyer. Buyer will maintain at its expense facilities from the point of delivery to the point of use, in good condition at all times.

Buyer agrees to pay Seller each month for gas delivered hereunder or for the minimum monthly quantity specified herein (whether or not taken) whichever is larger, an amount determined from the following Base Price which shall be subject to adjustment as provided below:

BASE PRICE: All therms in any month at 3.45¢ per therm.

If the numerical average monthly price per barrel of Bunker C fuel oil, quoted for the Port of Tampa by Platt's Oilgram, shall exceed $2.34 (ex lighterage), then for each 6.3¢ per barrel of such excess the base price herein shall be increased by .1¢ per therm, provided, however, that the aggregate of such increases under this paragraph shall never when added to the above Base Price total more than 4.1¢ per therm.

If the numerical average monthly price per barrel of Bunker C fuel oil, as determined above, shall be less than $2.75 (ex lighterage), and the Base Price per therm of gas has been previously adjusted in accordance with the preceding paragraph, then for each 6.3¢ per barrel of such decrease in price the adjusted Base Price herein shall be decreased by .1¢ per therm, provided, however, that the aggregate of such decreases under this paragraph shall never when added to the above Base Price total less than 3.45¢ per therm.

In the event that Platt's Oilgram shall cease or suspend publications, or shall not quote prices for Bunker C fuel oil, ex lighterage, Port of Tampa, then the numerical average of the highest prices quoted by three major oil companies shall be substituted for the period in which prices are not available from Platt's Oilgram.

It is further provided that, in addition to and independent of any adjustment to the Base Price due to variations in the price of oil as above set forth, the Base Price shall be adjusted if the existing rate of any tax, license, fee or charge applicable to the gas delivered hereunder, imposed on Seller or any party to which Seller may by contractual obligation refund the same, or on the act, right or privilege of production, severance, gathering, transportation, handling, sale or delivery of such gas, now in effect, be hereafter increased or decreased, or if any new taxes are imposed or repealed, the resulting increase or decrease, computed on a cents per therm basis, shall be added to or subtracted from the Base Price. In the event any monthly charge of Coastal to Seller, made pursuant to the Rate Schedule of Coastal then applicable to Seller and from time to time permitted by the Federal Power Commission, is increased above or decreased below 25¢ per MCF (provided that adjustments in said 25¢ per MCF as between Coastal and Seller, due to variation in the BTU content of the gas shall not apply to the provisions of this paragraph) the amount of such increase above or decrease below 25¢ per MCF shall be added to or subtracted from, as the case may be, the price of gas to Buyer as set forth herein.

The minimum monthly quantity of gas which Buyer shall be obligated to take, and pay for each month, or pay for whether taken or not, from the date of first delivery hereunder, shall be 75% of the maximum daily contract quantity, the "minimum daily quantity", multiplied by the number of days in each month, subject to the following adjustments:

(1) In the event that Seller is unable to deliver hereunder a quantity of natural gas equal to 75% of the maximum daily contract quantity on any day or days, the minimum daily quantity with respect to such day or days shall be the actual quantities of gas delivered by Seller on such day or days.

(2) During periods when the plant of Buyer is out of operation due to maintenance requirements, which periods shall not exceed thirty (30) days in any year with respect to each plant, the minimum monthly quantity hereunder shall be reduced by an amount equal to the number of days such plant is so out of operation times the daily average therms used by such plant during the preceding month, unless Seller is unable to deliver such quantity of gas, in which event the provisions of subparagraph (1) immediately preceding shall apply.

Buyer's minimum monthly bill, commencing with the first delivery of gas hereunder, shall equal the minimum monthly quantity of gas (adjusted, as in this paragraph permitted), multiplied by the then applicable price of gas per therm.

If, in any month, the quantities of gas purchased hereunder by Buyer should be less than the applicable minimum monthly quantity, as above provided, and as a consequence Buyer is required to pay for gas not taken, then and in that event, Buyer shall be entitled to receive delivery from Seller of such gas paid for but not taken without further charge at any time within the following eleven months by taking gas in such months in excess of the minimum daily quantity.

Buyer shall, on request, furnish Seller estimates of daily, monthly and annual gas requirements, as far in advance as reasonably possible.

Seller shall render bills to Buyer on or before the 10th day of each month for all gas delivered hereunder during the preceding month, and Buyer shall pay Seller, at its designated office, on or before the 15th day of each month, for such gas (including any minimum monthly bill), according to such statement, all sums past due to bear interest at the rate of 6% per annum, and if any default in payment continues for thirty (30) days after payment is due, Seller in addition to any other remedy it may have, may, without damage and without terminating this agreement, suspend further delivery of gas until such amount is paid; provided that in case of a disputed bill, if Buyer shall pay Seller such amount as it concedes to be correct and furnishes Seller with a good and sufficient surety bond, within thirty (30) days of such due date, in amount and with surety satisfactory to Seller, conditioned upon the payment of any amounts ultimately found due, Seller shall not suspend further delivery of gas unless and until default be made in the conditions of such bond.

The point of delivery shall be at the outlet side of the meter to be installed by Seller at or adjacent to Buyer's plant (such meter and other facilities of Seller, if located on property of Buyer, to be on an easement furnished to Seller by Buyer). Seller shall be deemed to be in control and possession of the gas up to such point of delivery, after which Buyer shall be deemed to be in control and possession thereof, and Seller shall have no responsibility with respect thereto or on

account of anything which may be done, happen or arise with respect to said gas after said delivery, and Buyer shall indemnify and hold harmless Seller from any and all loss or damage in this connection.

Seller shall use due care and diligence to furnish gas at such uniform pressure as Buyer may require, up to but not exceeding 100 pounds per square inch gauge at the point of delivery, and Buyer shall install, operate and maintain such regulating devices as may be necessary to regulate the pressure.

If at any time or times during the period this contract is in effect, Seller also has in effect any arrangement with Buyer for the delivery of primary interruptible gas to Buyer at the same delivery point in this contract provided, it shall be assumed for all purposes that all gas delivered by Seller to Buyer at said delivery point on any given day is preferred interruptible gas until the maximum daily contract quantity under this contract is reached.

In the event of either party hereto being rendered unable wholly or in part by force majeure to carry out its obligations hereunder, other than to make payments due hereunder, it is agreed that such party giving notice and full particulars of such force majeure in writing or by telegraph to the other party as soon as reasonably possible after the occurrence of the cause relied on, then the obligations of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall, as far as possible, be remedied with all reasonable dispatch; provided that this shall not obligate a party to settle strikes or lockouts against it by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

If the proposals and agreements contained herein are acceptable to you, please so indicate by signing this letter in duplicate and promptly returning to us one copy thereof.

Very truly yours,

CITY OF VERO BEACH, FLORIDA

By: Harry C. Oslin Jr.
MAYOR President

"BUYER"

ATTEST:
Mary M. Davis
Secretary
CITY CLERK

ACCEPTED this 20 day of May, 1959.

HOUSTON TEXAS GAS AND OIL CORPORATION

ATTEST:
J. Rue Lambert
Secretary

By: [illegible]
Vice President

"SELLER"

Htex form 3.2
2-9-59

Exhibit #21190

CITY OF VERO BEACH, FLORIDA

Council-Manager Form of Government

December 20, 1962

Mr. H. L. Wilhite, Senior Vice President
Florida Gas Transmission Company
P. O. Box 44
Winter Park, Florida

Dear Mr. Wilhite:

On March 31, 1959, the City of Vero Beach, Florida entered into a Preferred Interruptible Contract (Direct Sale) with Houston Texas Gas and Oil Corporation (now named Florida Gas Transmission Company) for the sale and delivery of natural gas for use in the City's municipal power plant. This contract has been amended by Letter Agreement dated October 5, 1961 to provide that all deliveries of gas under the contract will be made to the new municipal electric plant located north of 17th Street, adjacent to the Indian River. Since October 5, 1961, we have completed our plans to install a second unit in the new plant during the year 1963. This additional unit will require an increase in the volumes provided for by our contract dated March 31, 1959.

Accordingly, we propose that the second paragraph on page 1 of the contract be amended to read as follows:

"We are the owner and operator of certain industrial facilities, more particularly described as follows:

Plant	Location
Power Plant	Vero Beach, Florida

You (Seller) desire to sell and we (Buyer) desire to purchase from Seller natural gas for our use (and not for resale) in said plant, as herein provided. Therefore, Buyer agrees to purchase from Seller such quantity of natural gas as Seller may have available up to 21,600 therms per day and 1,750 therms per hour until a date which shall be the earlier of the date Buyer's second unit is installed in said plant and ready to use gas, or January 1, 1964, and thereafter up to 30,000 therms per day and 3,750 per hour (the maximum daily contract quantity to be 21,600 therms per day during the first period and 30,000 therms per day thereafter), and Seller agrees to supply the same to the extent that it has gas available, subject to the terms and conditions herein, it being agreed that delivery is subject to curtailment or interruption on a preferred interruptible basis (that is, interruptible at the discretion of Seller but only after all primary interruptible gas deliveries of Seller have been interrupted); Buyer to have not less than two hours' notice of curtailment or interruption orally or in writing if reasonably possible; provided that this shall not apply when caused by

Exhibit #2 197

conditions of force majeure. Whenever, and to the extent that, Seller is unable to deliver such maximum amount requested by Buyer, Buyer shall have the right to purchase gas sufficient to make up such deficiency from such other source as may be available to Buyer."

We further propose that the second complete paragraph on page 2 of said hereinabove described contract be amended to read as follows:

"This agreement shall be effective from the date hereof, and the service hereunder (including the sales of natural gas by Seller to Buyer, and the purchases thereof by Buyer from Seller, as contemplated hereunder) shall continue for a period of ten (10) years from and after the date delivery of natural gas shall commence hereunder; and from year to year thereafter, provided that at least 90 days prior to the end of any such yearly period either Buyer or Seller may terminate."

If the foregoing proposals are satisfactory and acceptable to you, would you please signify your acceptance thereof by signing this letter and returning a signed copy thereof to us.

CITY OF VERO BEACH

By _____
Mayor

ATTEST:

By _____
City Clerk

The foregoing letter consisting of two pages is accepted this 20th day of December, 1962.

FLORIDA GAS TRANSMISSION COMPANY

By _____
Senior Vice President

ATTEST:

By _____
Assistant Secretary

FEASIBILITY OF A UTILITIES AUTHORITY

FOR

THE CITY OF FORT PIERCE, FLORIDA

SEPTEMBER 2, 1971

EXHIBIT #3 (3) PAGES

(See notation bottom of page 13, Section 1, Introduction)

Exhibit # 5
Page

Jacksonville Electric Authority

220 EAST BAY STREET ~ JACKSONVILLE, FLORIDA 32202

OFFICE OF THE
MANAGING DIRECTOR

September 2, 1971

Mr. Hudson Miller, Chairman
Citizens Advisory Committee
Box 3032
Ft. Pierce, Florida 33450

Dear Mr. Miller:

We are attaching a tabulation of bids received for fuel oil on August 20th. The notes which say "see attached letter, etc." refer to such things as escalation in terms of the fluctuation of the dollar in Europe, the Tehran Agreement, bids received in Deutsche marks or Swiss francs, metric tons in lieu of barrels, import duties, freight costs, etc.

The price shown, however, can be used as a rough current cost, bearing the above in mind.

Very truly yours,

Louis H. Winnard
Managing Director

LHW:ks

Attach.

Exhibit #3 - Pg 2

JACKSONVILLE ELECTRIC AUTHORITY
BID TABULATION FORM - RESIDUAL NO. 6 FUEL OIL

REQUEST TO BID
J E A SPECIFICA

VENDOR	BID BOND YES OR NO	QUANTITY BID	ONE YEAR UNIT PRICE	TOTAL	QUANTITY BID	TWO YEAR UNIT PRICE	TOTAL	QUANTITY BID	THREE YEAR UNIT PRICE
Petrobay Ltd.		Refer To 8,000,000	Telegrams		8,800,000			9,700,000	
BP North American Inc.		Refer To Bid 62 Million + 20%			1.3 Million	3.70		1.4 Million	
Howard Fuel Corp.	yes	4 Mil. Bbl.	3.85	$15,400,000.00	4,400,000 Bbl.	3.85	$16,940,000.00	4,900,000 Bbl	3.85
Coastal States Refining	yes	5,600,000	4.35	$24,360,000.00	5,600,000	4.49	$25,140,000.00	5,600,000	4.64
Tos International Oil	yes	4,000,000	3.85	$15,400,000.00	4,400,000	3.85	$16,940,000.00	4,850,000	3.85
New England Pet. Corp.	yes	8,000,000	3.95	$31,600,000.00	8,800,000	3.95	$34,760,000.00	9,700,000	3.95

Exhibit #3-B/B

NO. S-1116-70/72
TION NO. 56-72

TOTAL	% SULPHUR BID 1% MAX.	VISCOSITY (SSF @ 122° F) MIN.	MAX. 300	POUR POINT °F	BID PRICE FIRM YES	NO	IF "NO" DESCRIBE ESCALATOR
	1%			93°			
	1%	Min. 80	Max. 300	105°		No	Escalator clause
$18,865,000.00	1%	min. 35	max. 300	105°		no	subject to 20%/bbl + O.K. see letter
$25,872,000.00	1%	min. 80	max. 300	90°		No	see exhibit "B"
$19,672,000.00	1%	min. 55	max. 300	100°	1st year yes 2nd + 3rd	no	see attached sheet
$32,315,000.00	1%	min. 15	max. 100	90°-110°	2nd + 3rd M.Y.	no yes	O.K. change see exhibit "A"

(B) 3. This Committee has been advised by Mr. Louis H. Winnard, Managing Director of the Jacksonville Electric Authority, in a telephone conversation on Sep't. 1, 1971 that Jacksonville is currently paying $1.92 a bbl. for Number 6, 1% sulpher rated fuel oil delivered Jacksonville.

The Purchasing Agent of Fort Pierce advised this same date that Fort Pierce is currently paying $3.83 a bbl. for the same fuel oil which goes up and down with Platts Oil Gram on a base of $3.98.

Mr. Winnard advised that Jacksonville recently received six bids for fuel oil ranging in price from $3.65 to $4.40 a bbl. It cannot be anticipated what the new base price in the forthcoming Fort Pierce contract will be until bids are let and one is accepted.

In comparing the two prices, it should be pointed out that there are many differences in storage capacity, usage, port facilities and shipping costs. Jacksonville uses approximately 8 million bbls. a year and receives shipment in full tanker loads, whereas Fort Pierce has limited storage capacity and receives shipment in 15,000 bbl. barge loads.

4. VITAL MISTAKE NUMBER FOUR

Failure of the management system to anticipate the interruption problems in the Data Processing Department, where utilities are billed, in the conversion from the IBM Key Punch System to the NCR Computer. Management's poor judgement in this area in not duplicating cards and keeping the IBM in operation, regardless of whether petitions in Customer Service had to be knocked out and replaced to make room, is estimated to cost the City $90,000 to $100,000 in lost accounts receivable by Mr. Evert Young of the consultant firm of Reynolds, Smith & Hills.

5. VITAL MISTAKE NUMBER FIVE

Failure of the management system to convince the City Commission to take immediate action some seven months ago, when the price of fuel oil began rising, to head off loss of revenues which would affect the ability of the electric plant to expand its facilities according to the recommendations of its consultants.

(A) As previously outlined herein, the City could have raised rates, realigned the balance of taxes and established new taxes, reduced expenses or a combination thereof, which would have allowed holding the line on electric rates.

(B) It should be noted that the City of Jacksonville under its electric authority had sufficient reserves so that it did not raise the rates for home customers and absorbed the increased price of fuel, although Mr. Evert Young of Reynolds, Smith & Hills told our Committee on July 29th, that a rate increase was anticipated. Unless Jacksonville raised their rates prior to the wage-price freeze, they are bound in at the same low rates for the 90-day period.

(C) The loss to the City of Fort Pierce as anticipated by Reynolds, Smith and Hills is estimated to be $500,000. Combine this with the estimated loss on Accounts Receivable from bad management decisions in the Data Processing Department and the total loss for the fiscal year is estimated at $600,000, thus the total net operating income of the electric plant will be thus much less.

6. VITAL MISTAKE NUMBER SIX

Failure of the management process to allocate adequate funds to reserves so that recommendations of the utility consultants can be carried out to meet anticipated future expansion needs. Too high a percentage of revenues is siphoned off for management services, to acquire facilities other than for the production and distribution of electricity and as a draw into the general fund.

As a result of management decisions, net revenue is estimated by Reynolds, Smith & Hills to be decreased some $600,000. As a consequence of reduced revenues over the last three-year period, the consultant's recommended 50,000 KW generator has had to be reduced to a 40,000 KW generator. This means that Fort Pierce in the mid '70's will undoubtedly have insufficient electric power.

This policy of "milking the electric system," which has been going on for approximately half a century, has not only resulted in more costly financing and has endangered reserves of electricity for home consumption, but has also led to the establishment of a policy within the City of Fort Pierce to discourage industry, particularly that which requires any substantial amount of power for the simple reason that power reserves have never been adequate to supply it. Even with the installation of the new 40,000 KW generator, engineers have advised this Committee that it is their opinion that it would be impossible to supply an industry asking for 5,000 KW.

The policy of discouraging industry,and thus jobs, is brought about by the management process which places political expediency ahead of practical necessity and proper planning. Instead of allowing for additional reserves so that future needs of both homes and industry can be met, management has found it easier to draw off these reserves and profits and discourage industry by not being able to furnish electric power needed. This Committee maintains that this policy inhibits the growth of Fort Pierce and limits the job market and thus the flow of capital.

This Committee has spent considerable time in trying to ferret out weaknesses in the management and decision-making process. Mr. Evert Young, of Reynolds, Smith and Hills, stated to the Citizens Advisory Committee on July 29th, "I possibly have been associated with Fort Pierce since 1955. I have seen some golden eras and some horrible periods. It is all a matter of philosophy of citizens and government as to how it works... We, as consultants, have learned to live with a changing boss every year or so. I see new faces on the Commission ... Periodically, the Managing Director of the System, the City Manager, designs to move on to greener pastures. The new man won't like what the predecessor does and he changes everything. This shakes people up. For running a $5-million dollar business, where your top management is constantly changing, it kind of makes you live within narrow limits ...When I see the Electric System of this city become a political football, and it being the financial backbone of the community, I recognize that you need another type of management." (Emphasis added)

II PROPOSALS

The alternatives facing this Committee were as follows:

(1) Retain the present system, which has the advantage of keeping control close to the people, but the weakness of flavoring as well as basing management decision on politics instead of sound business reason.

(2) Retain the present system with the exception that a Director of Utilities would be hired who would report directly to the City Commission and replace the City Manager as Chief Operating Officer of the utilities. This would retain the advantage of close control of the people, offer possible better management, provided the Director was permitted to do his job without hindrance by the City Commission. The weakness of the political would still be involved in management decisions.

(3) Changing the entire structure and turning over the utilities or part of the utilities to a Utilities Authority, which would hire a Utilities Director to be the Chief Operating Officer. This would give the utilities the best management system which should lead to efficient decision making based upon the best facts and information available.

This Committee deliberated long and hard to evolve a decision and often over the five-months period wavered back and forth between the three alternatives. Always, however, it kept coming back to one criteria -- Management. Without efficient management, the consumer and taxpayer will always end up paying more for his utilities. Witness the current high electric bills.

This Committee ascertained that the Charter of a Utilities Authority can be written to guarantee the City its fair share of revenue so that it can continue to provide adequate services to the people and yet at the same time assure the people of fair and equitable electric rates along with the setting aside of proper reserves so that the expansion plans of the consultants can be carried out.

This Committee therefore recommends to the City Commission that it establish a Utilities Authority for the electric, water, gas and sewage and related utilities as outlined herein.

III UTILITIES AUTHORITY

A. CREATION

1. Ordinance of the City Commission under Section 33 of the City Charter calling for a referendum no later than December 31, 1971.

B. THE ACT

Section 1. There is hereby created and established a body politic and corporate to be known as the Fort Pierce Utilities Authority, which is hereby authorized to own, manage and operate electric, water, gas, sewage and any other related utilities supplied by the City, in the City of Fort Pierce and in any or all of St. Lucie County or the counties adjacent thereto, which shall consist of five members.

(4) The term "CITY MANAGER" shall mean the Chief Operating Executive of the City of Fort Pierce.

(5) The term "AUTHORITY" shall mean the Fort Pierce Utilities Authority.

(6) The term "SYSTEM" shall mean the Electric, Gas, Water, Sewage and related Utilities Systems of the City of Fort Pierce.

(7) The term "CHARTER" shall mean the Charter of the City of Fort Pierce.

(8) The term "MEMBER" shall mean a Member of the Authority.

(9) The term "MANAGING DIRECTOR" shall mean the Managing Director of the Fort Pierce Utilities Authority.

(10) The term "CITY COMMISSION" shall mean the City Commission of the City of Fort Pierce.

(11) The term "UTILITIES" shall mean, electric, water, gas, sewage and related utilities under the Authority.

Section 3. The City Commission shall within fifteen days upon this Act becoming law, elect by a majority vote four citizens with such qualifications as are provided for herein as interim members of the Authority, to serve until the last day of the current fiscal year and until their successors are elected and said City Commission shall then elect the four interim members as members of the Authority, one of whom shall serve for one (1) year; one of whom shall serve for two (2) years; one of whom shall serve for three (3) years; one of whom shall serve for four (4) years, each of such term to commence on the first day of each new fiscal year.

Every Member elected on the Authority shall be a qualified elector of said City of Fort Pierce and shall have resided in the City of Fort Pierce for no less than three years and shall not be an officer of said city, whether elected or appointed. Thereafter, the term of office of each Member shall be for four (4) years, but each elected member shall hold such office until his successor has qualified and been elected and furthermore the said Authority shall, by a majority vote, nominate, and the City Commission elect all new Members of the Authority; however, no Member shall vote to nominate his successor. It at any time during his term of membership on the Authority, any member shall cease to be a resident of the City or shall hold any other public office or position, he shall cease to be a member and a vacancy on the Authority, however created, shall be filled for the unexpired term in the same manner as provided for herein, and the person so nominated and elected shall have and retain all the qualifications prescribed for election to membership on the Authority. Any member elected to the Authority for two (2) consecutive full terms shall not be eligible for the succeeding term.

The Mayor/Commissioner shall be an ex-officio member of said Authority and shall serve until his successor is duly elected and sworn in and in the event the Mayor retires or otherwise relinquishes his office, either voluntarily or involuntarily, the Mayor Pro-Tem of the City Commission shall serve on the Authority until a new Mayor is duly elected and sworn in.

The Members of the Authority shall not be entitled to compensation, pension or other retirement benefits on account of service on the Authority, but shall be

entitled to receive their traveling expenses and other actual and necessary expenses incurred in the performance of their duties of office in a sum per diem equal to and computed in the same manner as the amount allowed state officials from time-to-time by law for subsistence while traveling on state business.

The Authority shall elect a Chairman, Vice-Chairman and Secretary, none of whom shall be the Mayor and each of whom shall serve for one (1) year or until his successor is chosen and said officer of the Authority may succeed himself. The Authority shall hold regular meetings at least twice a month at such times and places as it may designate and may hold more frequent regular meetings. Special meetings may be held upon the call of the Chairman or any three (3) members of the Authority. A majority of the membership shall constitute a quorum for the purpose of meeting and transacting business. Each member of the Authority shall have one (1) vote. The Authority may adopt by-laws and make rules and regulations not inconsistent with this Act or general law.

Section 4. The Authority shall have full power and authority to fix, regulate and collect rates and charges for the services governing the sale and use of electricity, power water, gas, sewage or related utilities under the Authority, to impose sanctions to enforce compliance with any rule or regulation which the Authority may adopt in the management and operation of, or the sale or use of electricity, water, gas sewage or related utilities under the Authority. The City of Fort Pierce shall receive free services for electricity, power and water up to but not exceeding the combined value of $70,000 annually which shall be determined through the use of meters at the prevailing rates. In the event the City of Fort Pierce or any department, agency, instrumentality, officer, or employee thereof, shall avail itself of the facilities or services provided by the said electric and water system, or any part thereof, in excess of the sum of $70,000 annually, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged to the City and any such department, agency, instrumentality, officer or employee. After payment of all the outstanding bond certificates and the interest due thereon has been made or irrevocably provided for and all reserve requirements have been met, the City shall have the right thereafter to receive free services for electricity and power and water, the value of which, when combined, shall not exceed the sum of $200,000 annually and shall be determined through the use of meters at the prevailing rates.

The Authority shall have the following additional powers, in addition to powers otherwise conferred:

(1) To construct, acquire, establish, improve, extend, enlarge, reconstruct, re-equip, maintain, repair and operate the electric, water, gas, sewage, and other related utility systems of the City;

(2) To acquire for the use of the utilities system by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange or in any other manner, all property, real or personal, or any estate or interest therein, and to sell or otherwise transfer, with or without consideration, any such property when in the Authority's discretion it is no longer needed or useful, all upon such terms and conditions as the Authority shall by resolution fix and determine. The right of eminent domain conferred herein shall be exercised by the Authority in the manner provided by law;

(3) To furnish electricity, gas, water, sewage and related utilities to private persons, firms and corporations, the City, and any other public or private body, organizations, or unit, in any part of the City of Fort Pierce or the County of St. Lucie or in any adjacent county or to another electric or water service, utility or Authority, corporation, firm or organization and for said purposes shall have the right to construct and maintain electric lines in and along and under all public highways and streets throughout the City of Fort Pierce and

County of St. Lucie and said adjacent counties;

(4) To sue and be sued, implead and be impleaded, complain and defend in all courts; to adopt and use a corporate seal; to make and enter into all contracts, agreements, and leases and to do and perform all other acts and deeds necessary and incidental to the performance of its duties and the exercise of its powers;

(5) To make or cause to be made such surveys, investigations, studies, borings, maps, drawings and estimates of cost and revenues as it may deem necessary, and to prepare and adopt a comprehensive plan or plans for the location, relocation, construction, improvement, revision and development of the utilities system.

(6) a. To issue revenue bonds of the Authority for the purpose of paying all or a part of the cost of any one or more enlargements, expansions, developments or replacements or modernizations of the utilities system which in the opinion of the Authority constitutes an obstruction or hazard to the safe or efficient operation of the systems, and for the purpose of paying off and retiring any bonds issued or assumed under this Act, and for any combination of one or more such purposes in any single issue of revenue bonds.

b. The bonds of each issue shall be authorized by resolution of the Authority and shall be dated, shall bear interest at such rate or rates not exceeding the then prevailing interest rates, shall mature at such time or times not exceeding forty (40) years from their date or dates, as may be determined by the Authority, and may be made redeemable before maturity, at the option of the Authority, at such price or prices and under such terms and conditions as may be fixed by the Authority prior to the issuance of the bonds. The Authority shall determine the form of bonds, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or without the state. The Resolution authorizing the issuance of the Bonds shall contain such provisions relating to the use of the proceeds from the sale of the bonds and for the protection and security of holders of the bonds, including their rights and remedies, and the rights, powers, privileges, duties and obligations of the authority with respect to the same, as shall be determined by the Authority. In case any officer whose signature shallappear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. All bonds issued under the provisions of this Act shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the state. The bonds may be issued in coupon or in registered form, or both, as the Authority may determine, and provisions may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The issuance of such bonds shall not be subject to any limitations or conditions contained in any other law.

c. Prior to any sale of bonds, the Authority shall cause Notice to be given by publication in some daily newspaper published and having a general circulation in the city that the Authority will receive bids for the purchase of the bonds at the office of the Authority in the City. Said Notice shall be published twice and the first publication shall be given not less than fifteen (15) days prior to the date set for receiving the bids. Said notice shall specify the amount of the bonds offered for sale and shall state that the bids shall be sealed bids, shall give the schedule of the maturities of the proposed bonds and such other pertinent information as may be prescribed in the Resolution authorizing the issuance of such bonds or any Resolution subsequent thereto. Bidders may be invited to name the rate or rates of interest and invite bids thereon. In addition to publication of Notice of the proposed sales, the Authority shall also give notice in writing of the proposed sale enclosing a copy of such advertisement to the Chairman of the Florida Development Commission and to at least three (3) recognized bond dealers in the state, such notices to be given not less than (10) days prior to the date set for receiving the bids.

d. All bonds and refunding bonds issued pursuant to this Act shall be sold at public sale and shall be awarded to the bidder whose bid produces the lowest net interest cost to the Authority. The net interest cost of bonds shall be determined by taking the aggregate amount of interest at the rate or rates specified in the bonds, computed from the date of the bonds to the date of the various stated maturities thereof, and deducting therefrom the amount of any premium offered in excess of the par value of the bonds or adding thereto

the amount of any discount offered below the par value of the bonds, with interest computed on a three hundred sixty (360) day year basis. The Authority shall reserve the right to reject any or all bids. In no event shall said bonds be sold at a net interest cost to the Authority in excess of the then prevailing interest rates. Pending the preparation of definitive bonds, interim bonds may be issued to the purchaser or purchasers of such bonds, and may contain such terms and conditions as the Authority may determine.

e. The Authority shall require all bidders for said bonds to enclose a certified or bank cashier's check, in the amount of two (2) percent of the total par value of the bonds offered for sale, drawn on an incorporated bank or trust company payable unconditionally to the order of the Authority as a guarantee of good faith in the performance of each bid; the checks of the unsuccessful bidders shall be returned immediately upon the award of the bonds and the check of the successful bidder shall be retained by the Authority and credited against the full purchase price of the bonds at the time of delivery or retained as and for liquidated damages in case of the failure of such bidder to fulfill the terms of his bid.

f. In no event shall general obligation bonds be issued hereunder.

g. Bonds or revenue certificates may be issued by the Authority only upon approval by Ordinance of the City Commission.

7. To borrow money and to issue notes for any purpose or purposes for which bonds may be issued under the provisions of this Act and to refund the same; to issue notes in anticipation of the receipt of the proceeds of the sale of any such bonds.

Section 5. Bonds eligible for legal investments. Notwithstanding any provisions of any other law or laws to the contrary, all revenue bonds including refunding bonds issued pursuant to this Act shall constitute legal instruments for savings banks, banks, trust companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency or instrumentality of the State of Florida, or of any county, municipality, or other political subdivision of the State of Florida; and shall be eligible as security for deposits of state, county, municipal and other public funds.

Section 6. The Authority shall employ and fix the compensation of a Managing Director provided said compensation is within the limits as specified in writing to the Authority by the electrical system consultants and said limits are dated not over ninety days (90) prior to said hiring. The Managing Director shall manage the affairs of the Utility Systems under the supervision and direction of the Authority. The Managing Director shall devote his entire working time to the performance of his duties and shall have no outside employment or business. The Managing Director shall be a graduate electrical or mechanical engineer with at least five (5) years experience in the field of engineering, operation and management of an electric utility or comparable enterprise and shall be a registered professional engineer. The Authority shall also employ and fix the compensation of the department heads and assistant department heads of the Utilities. Neither the Managing Director nor the department heads or assistant department heads so employed shall be included within the Civil Service System of the City, but shall be subject to the Code of Ethics, provided for in Article ____of the Charter. The Authority may employ such certified public accountants, consultants and other employees for special purposes not within the Civil Service System of the City, as it may require, and fix and pay their compensation.

Section 7. All employees of the electric, water, gas, sewage and related utilities of the City of Fort Pierce on the effective date of this Act shall continue without any loss of right or benefits as employees of the electric, sewage, water or gas systems under the supervision of the Authority. The transfer of such employees shall be governed by Article ____ of the City Charter.

Section 8. The City of Fort Pierce shall transfer to the Authority all the physical properties, cash accounts receivable and all other assets relating to the electric, water, gas, sewage and related utility systems in existence on the date of transfer, and the Authority shall assume all the obligations of the City of Fort Pierce relating to the electric, water, gas, sewage and related utility systems on such date including bonded indebtedness. Such transfer shall take effect at such time and date as set forth in writing by the Authority to the City Commission and in no event shall the transfer take effect later than ninety (90) days after this Act becomes law.

Section 9. The Authority may at its discretion at any time after this Act becomes law employ any of the departments of the City of Fort Pierce to perform services for the said Authority and the City shall provide to the Authority a monthly statement for all services and after the expiration of a six (6) month period from the time this Act becomes law the City shall provide said monthly statements only on a cost accounting basis according to standard acceptable cost accounting practices and procedures.

Section 10. The Authority shall have fiscal and budgetary functions, subject to the limitations expressed.

(1) The fiscal year of the Authority shall coincide with that of the City of Fort Pierce and shall commence on October 1 of each year and end on the following September 30.

(2) The Authority shall prepare a budget for the ensuing year and shall send a copy thereof to the City Commission on or before July 1st of each year setting forth its estimated gross revenues, and estimated requirements for operating and maintenance expenses, debt service, and depreciation. A copy of said budget shall be published once in a newspaper of general circulation in the City during the month of July.

(3) The Authority shall submit to the City Commission a monthly statement on the 15th day of each and every month showing for the previous month, the year to date and the same month last year the revenues received, operating expenses, amount charged to depreciation and extensions, reserve fund and amount placed in reserve, and amount appropriated to interest and sinking funds, in all a complete statement of the general financial condition of the Authority, except that inventory shall be estimated as shall partially constructed facilities, and shall, at the time of making of such report, pay into the Interest & Sinking Fund of the utility bonds such monthly appropriations and shall furthermore pay into reserves such amounts as are required by the bonds or this Act, and shall each year file with the City Commission a complete audited report of all its transactions for the previous year with a copy of said report being put on file with the City Clerk who shall record same in his office in a book kept for that purpose.

(4) The City Commission shall have the power to appropriate up to forty percent (40%) of the estimated net revenues of the Authority for the uses and purposes of the City and the Authority shall pay over to the City such portion of the funds actually appropriated by the City Commission at such times as the City Commission may request, but not in advance of collection. The Authority shall submit monthly accountings to the City Commission of its actual net revenues, and appropriations of the City Commission shall be adjusted to reflect increases or decreases in actual net revenues from estimated net revenues.

(a) Net revenues shall be defined as the revenues remaining after providing for Sinking Fund Interest and annual expenses for operation and maintenance of the said several utilities after adding any non-operating income and providing for all non-operating expenses and deducting required reserves and depreciation.

(5) The Authority shall be required to set aside each year in a depreciation and reserve account an amount equal to not less than ten (10%) percent of its annual net revenues for the previous year. Funds set aside in said depreciation and reserve account shall be used exclusively for enlargements, extensions, improvements and replacements of the electric, water, gas, sewage and other related utility systems.

Section II. AWARDS OF CONTRACTS.

(1) All construction, reconstruction, repairs or work of any nature made by the Authority, where the entire costs, value or amount of such construction, reconstruction, repairs or work, including the labor and materials, shall exceed two thousand ($2,000.00) dollars except construction, reconstruction, repairs or work done by employees of the Authority, or by labor supplied under agreement with federal government or state government, with supplies and material purchased as hereinafter provided, shall be done only under contract or contracts to be entered into by the Authority with the lowest responsible bidder upon proper terms,

after due public notice has been given asking for competitive bids as hereinafter provided. No contract shall be entered into for construction, or improvement, or repair of the utilities, or any part thereof, unless the contractor shall have given an undertaking with a sufficient surety or sureties, approved by the Authority, and in an amount fixed by the Authority, for the faithful performance of the contract. All such contracts shall provide among other things that the person or corporation entering into such contract with the Authority will pay for all materials furnished and services rendered for the performance of the contract, and that any person or corporation furnishing such materials or rendering such services may maintain an action to recover for the same against the obligor in the undertaking, as though such person or corporation was named therein, provided the action is brought within one (1) year after the time the cause of action accrued. Nothing in this section shall be construed to limit the power of authority to construct, repair or improve the electric, water, gas, sewage and other related utility systems, or any part thereof, or any addition, betterment or extension thereto, directly by the officers, agents and employees of the Authority, or otherwise than by contract.

(2) All supplies, equipment, machinery and materials costing fifteen hundred dollars ($1,500.00) or more, shall be purchased only after due advertisement as provided hereinafter. The Authority shall accept the lowest bid of bids, kind, quality and material being equal, but the Authority shall have the right to reject any or all bids or select a single item from any bid. The provision as to bidding shall not apply to the purchase of patented and manufactured products offered for sale to a competitive market or solely by a manufacturer's authorized dealer.

(3) The term "advertisement" or "due public notice" wherever used in this section shall mean a notice published at least once a week for two (2) consecutive weeks before the award of any contract, in a daily newspaper published and having a general circulation in the city, and in such other newspapers or publications as the Authority shall deem advisable.

(4) No member of the Authority or officer or employee thereof shall either directly or indirectly be a party to, or be in any manner interested in, any contract or agreement with the Authority for any matter, cause or thing whatsoever in which such member shall have a financial interest or by reason whereof any liability or indebtedness shall in any way be created against such authority. If any contract or agreement shall be made in violation of the provisions of this section, the same shall be null and void and no action shall be maintained thereon against the Authority.

(5) Subject to the aforesaid provisions, the Authority may (but without intending by this provision to limit any powers of the Authority), enter into and carry out such contract, or establish or comply with such rules and regulations concerning labor and materials and other related matters in connection with any construction project, or portion thereof, as the Authority may deem desirable; provided that the provisions of this section shall not apply to any contract or agreement between the authority and any engineers, architects, attorneys, or for other professional services, or to any contract or agreement relating to fiscal advisors, fiscal agents, or investment bankers, relating to the financing of projects herein authorized.

Section 12. All instruments in writing necessary to be signed by the Authority shall be executed by the Chairman and Secretary, or by such officer, agent or employee of the Authority as it may by resolution designate. The Authority shall provide for the examination of all payrolls, bills and other claims and demands against the Authority to determine before the same are paid that they are duly authorized, in proper form, correctly computed, legally due and payable, and that the Authority has funds on hand to make payment.

Section 13. Any member may be removed from the Authority upon a four-fifths (4/5ths) vote of the City Commission for *malfeasance, misfeasance, nonfeasance, conviction of a felony or upon recommendation of a majority of the members of the Authority and said removal shall be a suspension until the lapse of ten (10) days has passed during which time the suspended member may in writing request a public hearing where he may be represented by counsel. The Commission shall then hold said hearing within thirty (30) days from the date of the member's suspension and at the end of said hearing upon a four-fifths (4/5ths) vote either lift said

suspension and return said member in good standing on the Authority or remove said member permanently from the Authority. Any member so removed shall have the right of appeal to the Courts and the burden of proof of malfeasance, misfeasance or non-feasance shall be on the City. Should a member so suspended fail to request a hearing in the time allocated, he shall be permanently removed.

Section 14. If any section, clause or provision of this chapter shall be held unconstitutional or ineffective in whole or in part, to the extent that it is not unconstitutional or ineffective, it shall be valid and effective, and no other section clause or provision shall, on account thereof, be deemed invalid or ineffective.

Section 15. Before this Act shall become operative, a referendum shall be held in the manner of holding elections as now authorized in the City of Fort Pierce to comply with Section 33 of the City Charter and said Act shall not become operative unless a majority of qualified voters voting on said question shall vote "yes" and the determination of the results of said election by the City Commission of the City of Fort Pierce shall be conclusive and the City Commission shall call such election prior to December 31, 1971.

Section 16. This Act shall take effect immediately upon becoming a law.

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* Malfeasance is wrong doing or misconduct; Misfeasance is unlawful Act in unlawful manner, infringing on rights of another or others; non-feasance is failure to perform a duty.

MINUTES OF A SPECIAL MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE CITY HALL COMMISSION CHAMBERS, 100 NORTH U.S. #1, FORT PIERCE, FLORIDA, AT 3:00 P.M. ON MONDAY, JANUARY 3, 1994.

Mayor Dannahower called the meeting to order.

The Pledge of Allegiance was recited.

Upon Roll Call, those present were: Mayor William R. Dannahower; Commissioners Robert Bluestone, Robert Burdge, Darrell Drummond, and Gloria Grimyser; City Manager James Powell; City Attorney John Brennan; and City Clerk Cassandra Steele. Those absent: None.

The purpose of the Special Meeting was Mr. Harry Schindehette, Director of Fort Pierce Utilities Authority, present to: (a) Request approval of Resolution No. U.A. 93-19, **Amending the Budget** of the Fort Pierce **Utilities Authority** for **Fiscal Year 1992-93** and (b) Report on **Utility Rate Studies** for Electric, Water, Wastewater, and Gas.

Mr. Harry Schindehette, Director of Fort Pierce Utilities Authority, said he has requested that Resolution No. U.A. 93-19, which was adopted by the U.A. Board and deals with the final Budget Amendment for Fiscal Year 1992-93, be addressed first because that would have a bearing on - depending on what action the Commission takes - the second report concerning the proposed water, wastewater, electric, and gas rates of the Utilities Authority. Getting into the first issue, which is Budget Amendment #2 for F.Y. 92-93, he submitted in the Commissioner's packets a cover letter which he hopes summarized the action that the U.A. Board took. He thinks the bottom line is apparent to everybody. The U.A. Board addressed the additional funds that came in the revenue stream the last quarter of 1992-93. For a bit of history, in August 1992, when the U.A. prepared its budget and presented it to the City Commission, at that time the original budget had projected revenues that would have transferred to the City at the end of that budget year $2.622 million. As the year went on, the summer of 1993, the U.A. realized that the revenues were trailing far behind the original projections. At that point the U.A. Board passed the first Budget Amendment for the year where it reduced its projected revenues and subsequently reduced the projected transfer to the City from $2.6 million down to $2.305 million; and that was the figure that was presented to the City Commission. He believes that was the figure that the City Staff incorporated into the City's 1993-94 budget, because whatever monies are transferred as a result of the U.A.'s 1992-93 operations are actually turned over in January or February of 1994. So he believes the $2.305 million is the figure that the City included in its budget that they expected to get from the U.A. Following the summer, the last quarter was extremely good because of the weather. Looking at the U.A.'s August and September revenues, they far exceeded the same time a year ago revenues. They were good enough that the pulled the original bleak looking revenue stream up and they actually brought in about $2.1 million more in net income than they had anticipated in the first Budget Amendment that they presented last summer. As a result of the excess net income, the U.A. Board voted 4 to 1 that part of those net revenues be put into the what is called the Rate Stabilization Fund and the other portion would be passed on to the City through the transfer formula. The reason that the Rate Stabilization Fund was recommended to be increased by this transfer of $750,000 in the electric, $100,000 in the water, and $15,0000 in the wastewater, basically was because at the same time this was going on, the U.A. was in the throes of a rate study in all four utilities - water, wastewater, gas, and electric. As a result of the Board passing the water and wastewater rate study results, they are recommending a substantial increase in the water and wastewater

rates. At tomorrow's meeting the Board will take up the request to increase the gas rates by about 5%; and they felt since the largest portion of the customer's bill was the electric bill, that if there was anyway to forestall or put off an electric rate increase, then they should do that this year because or they would have all four rates being increased at one time. They have the ability to transfer some monies into the electric Rate Stabilization Fund, which is the bulk of the money, to prevent that. He thinks that is the bottom line. The Board felt that would be a fair thing, a direct benefit for the utility rate payers by putting off an electric rate increase, and yet increasing from the $2.305 million projected figure being transferred to the City by $450,000. That was the Board's action that they took. He is here today because the City Commission has the final vote on the approval of that action.

Mayor Dannahower said he had a number of questions that he needs to ask that would relate to both issues in front of them. He thinks it is appropriate first to make it clear for the record that the approval of the Utilities Authority budget amendment for last year is really in his opinion an item of old business and it is appropriate for this Commission to consider that prior to the new Commission taking office tonight. Also there are some very complex issues involved here and he is going to hopefully try to bring out some of the answers that will help with the complexity of some of the issues. First he would like to refer to an article in the local paper from yesterday; it referred to himself "...seeking instead to have the money earmarked for the Rate Stabilization Fund also added to the City coffers." That certainly was not true. He sought to have a 40% portion of that money added to the City transfer and not the entire $865,000. Also the paper actually quoted from some of Mr. Schindehette's memorandums: "If the Commission agrees with the U.A. Board's decision to transfer the funds into the Rate Stabilization Fund, the U.A. will not increase electric rates. However, if the Commission should choose to further increase the City's transfer for F.Y. 1992-93, the U.A. Board will need to readdress the electric rate issue." Mr. Schindehette has indicated that the U.A. would not need a rate increase for some two years if the $865,000 was put into the Rate Stabilization Fund. Is that correct?

Mr. Schindehette said they made the projection that if the $750,00 in the electric alone was left there, that they felt very confident that they could draw back out over the next two years and avoid an electric rate increase. That was the statement that was made.

Mayor Dannahower asked how does this avoid the rate increase?

Mr. Schindehette said because as the U.A. transfers money out of the revenue stream into the reserve funds, all that does is postpone the 40% going to the City. It does not eliminate it. So if the U.A. takes out $750,000 now and then later need to draw it out to make up revenue deficiencies that were projected in the preliminary electric rate study, as the U.A. draws out $100,000 of the reserve fund it goes back into the revenue stream, 40% of that still comes to the City when it goes back into the revenue stream. It is just a delaying movement. They take the $750,000 and put it in the reserve fund, as they draw it out... If they have the draw the whole $750,000 back out to make up for revenue deficiency in next year's budget, the City would still get 40% of that. So they only have what is left to work on using that as deferring their revenue deficiency.

Mayor Dannahower asked when would the 40% be transferred to the City?

Mr. Schindehette said at the end of the budget year that is brought back into the revenue stream.

Mayor Dannahower said in other words, the whole $865,000 would be transferred back into the general revenue stream of the Utilities Authority to start with.

Mr. Schindehette said he did not follow. If they are just talking about the electric...

Mayor Dannahower said all right, talk about the electric, $750,000.

Mr. Schindehette said take a hypothetical scenario. During the Fiscal Year 1993-94 they are in right now and say by the end of next year they were deficient $200,000 in revenues, at the end of the year the final budget amendment for that year they would take out and then that would transfer through the transfer formula; so whatever monies were taken out, the City's 40% would be transferred next January or February of 1995.

Mayor Dannahower said so the effect is that it would delay when the City theoretically would get its 40% share.

Mr. Schindehette said correct.

Mayor Dannahower said the City would still get it. Even if there were a loss of some kind in the Utilities Authority's operating fund, there would still apparently be sufficient funds that the City would get the 40% of the $865,000.

Mr. Schindehette said he wants to confirm that. Is that a correct statement?

Mr. Frank Varella, Utilities Authority Director of Finance, said say if there was a $100,000 loss in electric - which is highly unlikely - and the U.A. replenished the fund by $750,000, the net balance would $650,000, and that would be calculated as the base for the 40% transfer.

Mayor Dannahower said so there would be a loss of transfer to the City under that circumstance.

Mr. Varella said in the event the U.A. had a loss, yes.

Mr. Schindehette said he does not think they are talking the same thing. How much would the U.A. have to take out of the Rate Stabilization Fund to actually derive the $100,000 shortage that they would need.

Mr. Varella said if they need a $100,000 to cover the deficit...

Mr. Schindehette said they would have to take more than that out...

Mr. Varella said more than that out of the Rate Stabilization Fund.

Mr. Schindehette said because the other portion would be back in the transfer revenue stream.

Mayor Dannahower said what they just asked basically, if at the end of the year there was a loss in that fund, then the transfer to the City of $750,000 would actually be decreased. Is that correct?

Mr. Varella said that is correct. In other words, if they had a $100,000 loss in the electric fund and they transferred $750,000 from the Rate Stabilization Fund, the balance that they would use or the basis that they would use to calculate the 40% would be based on $650,00, which would be the $750,000 less the $100,000.

Mayor Dannahower asked what fund would the money in the Rate Stabilization Fund be transferred to? Would it be transferred to the General Fund operating fund of the Utilities Authority.

Mr. Varella said it would be transferred into the revenue stream of the fund that it was taken from. Meaning that if it came out of electric initially, and they put in the electric Rate Stabilization Fund per se, it would go back into the electric revenue stream.

Mayor Dannahower asked how much actually would be transferred to that fund if in fact the $865,000 was left in profit? Would it be the full 40% to the City?

Mr. Schindehette said at this particular time? If they did not put $865,000 into the Rate Stabilization Fund as proposed, all $865,00 would stay in the revenue stream and approximately 40% would then go to the City.

Mayor Dannahower said so the money that is presently in Rate Stabilization Fund has come from the net income.

Mr. Schindehette said any monies that are in the reserve funds have come from net income over the year, correct.

Mayor Dannahower said Mr. Schindehette calls it reserve funds. They have a number of funds that they are going to be talking about. But it is in the budget as a Rate Stabilization Fund, not as a reserve fund. Is that correct?

Mr. Schindehette said it is called a Rate Stabilization Fund, but it is a reserve fund to be used.

Mayor Dannahower said he does not want anybody to be confused because they are going to be talking about some other funds in just a minute. He thinks it would be appropriate to point out that at the Utilities Authority Board meeting, there was considerable discussion about what would happen with the $865,000 if in fact it were not budgeted in the Rate Stabilization Fund. The discussion seemed to center around the fact that the Utilities Authority's feeling was that if in fact it was left in profit and the City took its 40%, that the rest of those funds would then have to go to capital improvements. Is that correct?

Mr. Varella said yes. Basically if they applied the 40% formula to the basis, that money goes into the U.A.'s working capital fund which is used for capital and all of their other working capital needs.

Mayor Dannahower asked it goes in there because of the U.A.'s choice or because of some requirement?

Mr. Varella said it goes in there because that is where it is designated to go in by the bond covenants.

Mayor Dannahower said he would like to quote from the Charter of the City of Fort Pierce, Section 140, "Disposition of net revenues of utilities". He has discussed this with the City Director of Finance, the Auditor, and the City Attorney. It says: "The City Commission is hereby authorized, required and directed to set up a reserve account for each of the utilities in said city, severally, which said several sums shall be kept separate and apart from all other municipal funds and shall be deposited only in regularly approved city depositories and shall be used exclusively for enlargements, extensions, improvements and replacements and to provide the operating funds necessary to finance the current assets and expenses in the several utilities of said city from which the said several sums shall have been derived, except that up to forty (40) per cent of the net revenues of the preceding year of the utility plants and systems

as set up in the preceding fiscal year audit of the city may be made available annually by ordinance to the general fund." What the Charter says is "...enlargements, extensions, improvements and replacements and to provide operating funds necessary to finance the current assets..." So it appears to him and the auditor and the City Staff that it does not have to go into capital. If the funds were left in the profit line and the City took its 40%, then the 60% would stay in the revenue stream of the Utilities Authority and certainly could simply be held as a reserve or surplus and not used in capital funds. So the effect is not the effect of taking $865,000 from Rate Stabilization Fund; as he sees it, it would be taking 40% of the $750,000 of the electric and 40% of the $115,000 in the other two. So the effect would be that the loss in terms to the Utilities Authority for availability of keeping the rates down would be $346,000 rather than $865,000. The Utilities Authority would still have $500,000 plus to be kept in its revenue stream.

Mr. Varella said the Utilities Authority would have that amount of money available in its working capital account. Yes, that is correct.

Mayor Dannahower said it does not say "working capital" in the Charter.

Mr. Varella said for replacements, renewals, extensions, and other operating expenses and assets; yes.

Mayor Dannahower said the effect then would not be to take all of the $865,000 from being used to keep the rates down. The only effect would be to take $346,000. There would still be $500,000 plus left that could be used in operating expenses.

Mr. Varella said to clarify it, technically speaking that is correct; but he thinks by the proposal here to put the $800,000 plus in the Rate Stabilization Fund, when they use those funds it enters back into the calculation to the City. Therefore, it would help increase a transfer in a future year because of a lower net income or a lower net as defined.

Mayor Dannahower basically by putting it in the Rate Stabilization Fund, what is happening is that the City is not getting its share at this time, and the Utilities Authority still has the same amount of money available for rate stabilization to decrease operating expenses.

Mr. Varella said that is correct he believes.

Mayor Dannahower said would Mr. Schindehette explain what was done last year to increase the transfer to the City.

Mr. Schindehette said last year to increase the transfer they took money out of another fund.

Mr. Varella said last year they had another lower than projected operating income year. The City was experiencing financial difficulty. In an effort to meet the budget as they projected it to the City, so that the City would not have any further financial hardship, they transferred money from the Renewal & Replacement fund and used capital improvement charges to pay for some of their principal and interest associated with debt service so that those two items would have a positive effect on the City's transfer so that they could get the amount up from the original computed figure of approximately $2.3 million up to the $2.760 million that the U.A. had informed the City earlier that they would transfer to them.

Mayor Dannahower asked how much came out of the capital fund?

Mr. Varella said they took $865,000 from the Renewal & Replacement fund.

Mayor Dannahower asked from Renewal & Replacement Fund, not from the Capital Improvement Charge Fund.

Mr. Varella said no. The impact fees, capital improvement charges, are a different pot of money.

Mayor Dannahower said because the transfer was referred to as having come from the Capital Improvement Charge Fund.

Mr. Schindehette said it did. The U.A. Board authorized taking money from the Capital Improvement Charge Fund.

Mr. Varella said last year they transferred in from the Renewal & Replacement Fund $865,000 which basically had a positive effect upon the transfer to the City and they also reduced their debt service amounts by paying some of their debt service associated with new growth from their capital improvement charges. The amount of principal paid for by their capital improvement charges was $18,000. The amount of interest he does not have in front of him. But that is what they did last year.

Mayor Dannahower asked the Capital Improvement Charge Fund, does that come basically from impact fees?

Mr. Varella said that is what capital improvement charges are, impact fees.

Mayor Dannahower said but the U.A. also transferred out...

Mr. Varella said $865,000 from Renewal & Replacement Reserve Funds.

Mayor Dannahower asked where did those funds come from?

Mr. Varella said those funds came from amounts that they previously transferred in there in years in which they had larger than anticipated income as defined, profits.

Mayor Dannahower said so the money that is in the reserve and renewal came from profits.

Mr. Varella said that is correct.

Mayor Dannahower said the U.A. took out of that very same fund the money that was used to transfer to the City.

Mr. Schindehette said they have what they consider three reserve funds. The R & R (Renewal & Replacement) Fund, the Emergency Fund, and the Rate Stabilization Fund. The U.A. refers to those as reserve funds, whatever they are called. Since 1986 or so, they had tried every year to put some monies into these reserve funds to build them, especially the R & R and the Emergency reserves. The Emergency Reserves are strictly for hurricanes. When they say they took out last year $865,000, it is the same thing as what they are talking about with rate stabilization. It has been put in there from previous years' revenues. Now it has been taken out and put back into the revenue stream. So the R & R Fund is basically handled just like the Rate Stabilization Fund. They put monies in; and then as they need them, they draw them out.

Mayor Dannahower asked when they were drawn out, the City got 40%, is that correct? And the Utilities Authority put 60% into its operating stream? Basically that was money that really was already there and the City was entitled to 40% of at some point?

Mr. Schindehette said whenever it is taken out, correct.

Mayor Dannahower said the City was told very strongly that this was a one time event it could never be done again. Is he correct in that?

Mr. Schindehette said that is what the U.A. Attorney advised the Board if he remembers correctly.

Mayor Dannahower asked but there is no question in Mr. Schindehette's mind that this can happen again? That whenever reserve funds come out, they come out 40% to the City and 60% to the U.A.?

Mr. Varella said whenever reserve funds come out and they have not been included in the calculation previously, they are subject to the 40% calculation.

Mayor Dannahower asked are impact fees kept separate from the R & R?

Mr. Varella said the impact fees are kept separate, yes.

Mayor Dannahower asked what is the requirement for the funding of the R & R?

Mr. Varella asked at which level? He believes $1.75 million. That is the bond resolution minimum.

Mayor Dannahower said they will come back to that because that is somewhat higher that what he has been told. Whose requirement is that?

Mr. Varella said a bond requirement.

Mayor Dannahower said in the Budget Amendment they have in front of them today, there is nothing scheduled to go into R & R; is that correct?

Mr. Schindehette said that's correct.

Mayor Dannahower asked how much has been put into the Reserve & Renewal Fund in previous years in terms of the percentage of net income?

Mr. Schindehette said they would the figure those up, he does not have it today. Over the past five or six years, they have been trying to build all three of the funds each year depending on what net incomes are available; and except for last year and this year, there have been funds going in. But he does not have the breakdown of what percentage of net revenues that is.

Mayor Dannahower said they will skip that temporarily. The Reserve & Renewal in September 1991 was $3.6 million and as of September 30, 1993, it is $5.14 million, an increase of about a million and a half in a two year period of time. In the meantime, taken out of that was $800,000 or so for the "one time only" transfer last year. Where did that big sum of money come from to go into Reserve & Renewal in those two years?

Mr. Schindehette said it would have come out of the net income revenue stream.

Commissioner Burdge asked can the Mayor get verification on his figures?

Mayor Dannahower said Mr. Bergalis and Mr. Elam are present. If he puts a figure out that is wrong, would they please stand up and say so?

Commissioner Burdge asked so there is $5 million plus in the R & R Fund right now?

Mayor Dannahower said that is correct - $5.14 million. That was an increase in two years of $1.5 million. Do the bonds have a certain requirement as to a minimum? When he asked earlier, Mr. Varella told them $1.75 million.

Mr. Schindehette said he knows the Emergency Reserve is $900,000. The R & R has a minimum; he does not remember what the figure is.

Mr. James H. Elam of Berger, Harris, McAlpin & Company, said the resolution has half a million. $500,000 is the dollar amount as recommended by a consultant.

Mayor Dannahower said so the actual requirement for that is $1.4 million.

Mr. Schindehette said between the two funds, the minimum level requirement.

Mayor Dannahower said he would like to skip to some discussion on the rate study. In calculating the funds anticipated or needed for the water and sewer systems, what sources of funds were used? They are looking a substantial increases. What sources of funds were anticipated to be used in meeting the revenues needed? Does it all come from rates?

Mr. Schindehette said R. W. Beck & Associates performed the rate study.

Mr. Doug Handley, R. W. Beck & Associates, said the revenues from the water and sewer rates.

Mayor Dannahower asked what about the funds in the current existing Rate Stabilization Fund?

Mr. Handley said there was no assumption as to transfers from rate stabilization or to rate stabilization.

Mayor Dannahower said there is some $700,000 in that fund; and with the U.A. raising rates, they did not anticipate using those funds?

Mr. Handley said no.

Mayor Dannahower said most of that is electric - $526,000 electric, $71,000 water, and $61,000 sewer. What is the purpose of Rate Stabilization Funds if it is not for keeping rates down when they have to be raised?

Mr. Schindehette said from a business standpoint, they have always viewed that the Rate Stabilization Fund, they have tried to keep those funds at the levels they are at right now. The electric at $500,000, and the water and sewer at just a little bit under $100,000. Although there is no minimum requirement of Rate Stabilization Funds, they have tried to keep that amount in those funds to cover the unusual circumstances, emergencies similar to last year's March storm. It is not a hurricane, so they do not go into the Emergency Reserve; but there is a possibility that they will lose a lot of their revenue sources for a prolonged period of time, i.e. the lines are down, whatever. They have tried to keep that to use as a cushion to use under those circumstances.

Mayor Dannahower said it seems kind of ironic that they are talking about the necessity of putting funds into Rate Stabilization Fund to keep rates down in the future for electric, they are having a large increase in water and sewer rates, and they have got funds in the Rate Stabilization Fund for those two but they are not going to use them. He does not understand that.

Mr. Schindehette said they are trying to keep that minimum level in that fund. They could use that fund right now, avoid some of the rate increases, and then they would have no funds.

Mayor Dannahower said also the $100,000 plus that they are putting into the amended budget, if it is approved, for water and sewer would also stay there, and that fund would simply become a bigger fund rather than using those funds to decrease the water and sewer rates.

Mr. Schindehette said they could be used. If they stay in there then the fund would be larger for what they call the catastrophic emergencies.

Mayor Dannahower said they have an Emergency Fund; it has $1.8 million in it. And they have funds they call Rate Stabilization Funds, but they are not using them for rate stabilization. What is the unrestricted cash balance of the Utilities Authority at the end of 1993?

Mr. Varella said he did not have that with him.

Mayor Dannahower asked approximately, a good guess?

Mr. Varella said more than $10 million.

Commissioner Burdge asked is that like a contingency?

Mayor Dannahower said that is like retained earnings perhaps. Somebody else define it.

Mr. Varella said accumulated cash from earnings over the years.

Commissioner Burdge asked the U.A. has $10 million in a savings account somewhere over there?

Mr. Varella said approximately, yes. It is not just sitting there. They use it to meet their capital program, to pay their payrolls, to pay their increases associated with increases in inventory, and things of that nature.

Commissioner Burdge said so that is another fund that they have got set aside. That would be their fifth one then.

Mr. Varella said it is their operating account, yes.

Mayor Dannahower asked how much will the net revenues increase from the rate increases?

Mr. Handley said approximately $740,000 for water and $890,00 for wastewater on an annualized basis.

Mayor Dannahower asked that is to make up what is the anticipated debts, all coming from rates?

Mr. Handley said that is right. Basically to catch the rates up to some changes in the revenue stream. To get back to their other question about the use of Rate Stabilization Funds, they could use them to phase into this level of rate; but this level of rates would still be required to fund this level of operations. So the Rate Stabilization Fund could defer some of this rate increase, but it would not eliminate it.

Mayor Dannahower said he is sure it would not because the two together are about $1.7 million and there would be at best a couple of hundred thousand dollars that would be available to offset that. But it would offset it some; and that is certainly what its purpose seems to be, rate stabilization.

Mr. Handley said but if they have a 15% increase of $1.5 million, if they use $200,000, then that would go to a 13% increase. But they would still need another 2% increase within a year or so.

Mayor Dannahower said he understands that.

Mr. Varella said he thinks that is what Staff was proposing in this Budget Amendment, that if the U.A.'s revenues did fall short in those funds to be significantly less than the transfer that they were proposing, that the U.A. would tap that fund to put in the revenue stream the revenues needed to give the City the transfer they basically told the City the U.A. would give them.

Mayor Dannahower said at this point he would like to hear from Mr. Bergalis. In particular, he will ask him to report or summarize the various fund balances of the Utilities Authority.

Mr. George Bergalis, City Director of Finance, said he wants to preface his remarks by stating that he is reporting on information that is made available either through the audited financial statements of the Utilities Authority or information that they themselves prepared, subject to his opinion and interpretation based upon that. He will start off by saying he is envious. He thinks if he were in the Utilities Authority's position, he might not do anything different. But he does have some concern over on the City's side of the fence where the City is scraping to realize every dollar of revenue they can and facing the taxpayers with the most unpleasant circumstance this last year of an ad valorem tax increase which somehow does not in any way compare to a rate increase. People accept a rate increase as a cost of doing business; but a tax increase is something that is against motherhood, God, and country. He looked at reports here where R & R funds have a requirement of $500,000 which supposedly was arrived at by he is assuming some reasonable people using some reasonable means of determining what is a reasonable amount to keep in that fund; yet at this point in time there is a excess of $5 million in that fund. He understands that about a year and a half or two years ago, before the $865,000 was transferred out of that to give the City some additional money and the 40% share of that, that fund had excess of $6 million in it. He thinks that is great. He wishes the City could do that. The Emergency Reserve Fund he thinks has a predetermined level of $900,000; and he believes right now that is excess of $1.8 million. And now they have a Rate Stabilization Fund that has $677,000 in it; and if they add another $865,000, they are up close to a million and a half. Then he looks at a U.A. balance sheet that shows the figure is closer to $15 million as of 10/1/93 of unrestricted cash and investments as classified. He feels that perhaps the City's proposal that they made in the past relative to ascertaining whether or not it was possible for the City perhaps to be the beneficiary of some additional contribution from the Utilities Authority bears merit in his opinion based upon the fact that he does not think that any additional amount that they may look for the U.A. to contribute toward the general government and back to the owners of the system would place the U.A. in a financial bind. But that is his opinion, based upon what he has looked at currently. He does not really have any more to say than that; but again, he believes that the goal of the Utilities Authority is not only to produce and provide economic utility services to the ratepayers who are also the taxpayers of the City, but also to provide a reasonable return to the City on an on-going basis, not a deferral basis. They all realize that these monies the U.A. puts in these reserve funds, essentially when they are taken out he believes the City will then get 40% of; but until such time, the City does not reap the benefits of that. It certainly would have been beneficial perhaps in these last two years for maybe a better cooperative effort, where maybe they would not have had to have a 50% millage increase last year if they could have gotten some more money from some other sources.

Mayor Dannahower said he would like at this point to turn to the Auditor and to the City Attorney to ask them if he is correct in his interpretation of the Charter. In terms of the money from the profits of the U.A. after the City's 40% comes out, those funds can be used for general operating funds and do not have to go into capital only.

City Attorney Brennan said yes.

Mr. Elam said yes.

City Manager Powell said he and the Finance Director both have recommended to this Commission at an earlier meeting that they seriously consider a change in the transfer formula that would help insure management efficiency in dealing with these funds, which certainly are the City's funds since the City owns the Utilities Authority and it is being operated and managed by a director and a board. He would like to simply just qualify that by saying that members of the U.A. Board are appointed by the Commission by Resolution. The City Manager is an ex officio member of the Board simply to be there as a check and balance, he does not have a vote. He is not being critical of the Board; but he is somewhat concerned about the fact that at two previous U.A. Board meetings that he has attended comments have been made that the Utilities Authority would like to be able to solve the City's financial problems. He is simply stating to the U.A. Board as well as to this Commission that he believes the U.A. is really part of the City's financial problem, and that a change in the transfer formula or other methods of control would be in the best interest of the City. In using the City's financial problems as a point of discussion, he would say that if the City today had $6 million or $10 million in reserves, that they should still be addressing the problem that they addressing right now. He hates to see it reported in the press continually that the City is trying to get additional funds from the Utilities Authority for that reason. Simply that is not the case. The City by Charter is entitled to that money. He just would like to clarify that point. The City has had some financial problems, but so have other cities; it's due to the economic conditions and the reductions in funding from other sources. But since the Utilities Authority is a major funding source for the City, it is responsible and incumbent on them all to look at the way they are doing business. It is something that needs to be done and something that needs to be addressed.

Commissioner Bluestone asked what is Mr. Elam's experience in auditing other utilities authorities of similar size and nature? How do the Fort Pierce U.A.'s level of reserves compare? Are they above or below the norm?

Mr. Elam said he has no data to compare as far the reserves of this authority to any other authority, so he really cannot answer Commissioner Bluestone's question.

Commissioner Bluestone asked in his professional opinion, does he feel that the reserves held by the Utilities Authority are adequate, more than adequate, or less than adequate?

Mr. Elam said there is a argument on either side as far as building the reserves. He thinks having the comfort or the security in the case of a catastrophe is something that any entity would like to have. He thinks in the situation here, the other side of the argument is that there is a deferral of monies that could go into the General Operating Fund of the City. So in his opinion, there is an argument on either side. It is a question of which side they think is best for the overall scheme.

Commissioner Bluestone said he guesses what they need to come up with is, how much is enough? That is the difficult question.

Mr. Schindehette said he hopes the Commission understands he is certainly not here fighting the Commission and neither is the U.A. Board. To put things in perspective a little bit, he knows they hear $15 million in an unrestricted working capital fund. That sounds like a lot. That is as much as the City's budget. But remember the U.A.'s operating budget alone is $60 million; and their capital budget, if they were to do the projects that they felt were necessary, would be another $40 million. They have already pared those down to $30 million, and then again they have pared them down another $3 million or $4 million the second time around. They are cutting capital budget. If the U.A. was putting in what they needed, then the intent of the R & R Fund specifically is to start tapping that so that do not have to go to the bond market again. The bond monies, which they have been running on for awhile and that is one reason why that fund is where it is, is running out. In fact, he thinks the bond money that they borrowed in 1991 is gone. So at this point to keep from going to the bond market, they are going to have start tapping into the R & R fund more than they have in the past; or if it is not there, go to the bond market. If they were to have a hurricane or a storm of considerable magnitude, then that could take all of the R & R Funds and all of the Emergency Reserve Funds, and they would still be short. Yes, it is a security blanket, and they feel very strongly that they need to have a fairly decent one. Whether it is too high or not, obviously that is the Commission's decision. The U.A. does not think it is.

Commissioner Bluestone said he shares the comment that they are certainly not here to do battle. The members of the Utilities Authority Board serve because they have been invited to serve. The Commission certainly appreciates their efforts and also that of the Utilities Authority Director and Staff. What they are doing here today and what they have done at some past meetings is try to get at the heart of how much is enough. Perhaps they should have been more vigilant in pursuing these efforts in the past. He thinks there is no question that the fiscal problems the City has been having in the last few years certainly brings this to a head more than ever. That is one of the reasons why they are having this discussion. If there is some money out there that would be helpful to the City to keep the taxes lower, he thinks they need to go take a look and see if that is a good idea. He really feels the fiscal policy of the U.A. and the City really is the responsibility to be set by this Commission. He is not so sure that they have done a good job of enunciating just exactly what the City expects from the Utilities Authority in that regard. He hopes this is a first step. There will be some new Commissioners seated this evening. He thinks they have to let the Utilities Authority know what they expect in the way of financial contribution rather than come in through the back door once they find there is a little extra money out there. Again, he thinks this is a very worthwhile discussion. Some very good information came out today; but he also does not want to sit here and point fingers at anyone either. He thinks they just want to get to the heart of how they can do what is best for the citizens of Fort Pierce and also be fiscally responsible. One thing he would be concerned with, and it does appear to him that there may be bit more money available to the City, but he would not want to be taking that money unless they had some assurances or knowledge of what they are going to be doing with that money. He is all for brining in a little bit more money into the City because it does appear to him that the reserves are a bit rich. But he does not want to see them take that money and then just fritter it away next year. If they are going to earmark it for something that would lower the taxes in the City of Fort Pierce, he would be in favor of that. If they do get to the point where they modify the financial contribution that they are taking about with the budget here today, the real question is what is going to happen to that money? He shares the Mayor's comment earlier that this is not really new business, it is old business. This has been an on-going discussion. No matter what they decide this

afternoon, certainly the two new Commissioners could participate in changing whatever they decide down the road. They are still fulfilling their obligation to continue this budget year. His concern is, he would like to get some insight from Staff as to how they would earmark any additional funds that they would receive from the U.A.

Mayor Dannahower said one thing that the Commission is allowed to do is by line item disapprove any item in this Amended Budget which is in front of them. He is not sure how they would do it if the Commission said they are going to direct the Utilities Authority to take "x" number of dollars out of the R & R Fund or Emergency Fund or whatever. He is not sure that they can do that with the veto process. But they certainly can take a line item and disapprove it or reduce it. But he is not sure they can take another line item and say they are going to increase it.

City Attorney Brennan said first of all let him point out that they are dealing with two different sections of the City Charter. Section 176, Subsection 12, states: "The Authority shall also annually prepare and adopt a budget for the ensuing year and furnish a copy to the City Commission at least forty-five (45) days prior to the beginning of the next fiscal year. If a four-fifths (4/5ths) vote of the City Commission does not disapprove of any line item expenditure in said budget, or any amendments thereto, within thirty days of the date of submission to said City Commission, said budget or any amendments thereto shall be deemed approved as submitted." So the authority that the Commission has is to disapprove a line item expenditure in the budget or an amendment by a 4/5ths vote. The Commission can decrease a line item expenditure. As he reads this provision, the Commission has no right to increase or require an increase in an expenditure in reference to the budget. The other thing is, they do not have to decide immediately; but the clock starts running when the budget is submitted to the Commission. They have thirty days to disapprove any line item budget increase by 4/5ths vote within that thirty days. If they do not act, after the end of the thirty days it is deemed to be approved. That includes any amendments. So the time is running now that this proposed amendment is submitted to the Commission. Right now they can approve it, they can waive the thirty day period and approve it immediately, or if they have a 4/5ths vote they can disapprove it or they can reduce it.

City Attorney Brennan said Section 140 of the Charter, concerning the transfer, he went back as far as 1960 - many years before the Utilities Authority as a separate entity was ever thought of - and that is where the 40% turnover to the City is. There are other provisions dealing with the responsibility. One thing he will point out, and he is talking about 20 years earlier, the percentage or amount that would be transferred over would be approved by ordinance, which they really have not ever done. So he is recommending that they need to look at that provision in reference to every time there is a transfer basically it should actually be approved by an ordinance by the City Commission.

Commissioner Bluestone asked if for example they were to determine as a Commission that they wanted to lower the amount of funding to be transferred into the Rate Stabilization Fund, they could do that by line item?

City Attorney Brennan said yes, if they have a 4/5ths vote.

Commissioner Bluestone asked what would then be the effect on the remaining funds that were proposed to go into the Rate Stabilization Fund? Would they then go back into general revenues?

City Attorney Brennan said as they are coming out of the general revenues, they would just stay there.

Commissioner Bluestone asked would that then impact the transfer to the City of Fort Pierce?

City Attorney Brennan said it could.

Mr. Schindehette said he thinks generally it would be approximately 40% more of an increase of the $865,000.

Mr. Varella said he did not follow the question.

Commissioner Bluestone asked if in fact the Commission did wish to apply a line item veto on the item regarding the transfer into the Rate Stabilization Fund to lower it by some dollar amount, would then those remaining funds go back into the general fund of the Utilities Authority? And then would that somewhat create a situation where that 40% of those funds that were the remainder would go into the transfer to the City? In other words, would the City get 40% of whatever they cut the transfer into the Rate Stabilization Fund by?

Mr. Schindehette said yes. Say they decided to veto the whole $865,000 out of the Rate Stabilization Fund line, that would go back in the revenue stream and the City would get basically 40% of that added to the transfer. If they decided to cut it in half and leave $400,000 in and take $400,000 out, then they would get approximately 40% of whatever they took out and put back into the revenue stream.

Commissioner Grimyser said she does not have a problem with the U.A. maintaining some reserve accounts, etc. But when they are talking about net revenues, after all the expenses are paid and after the interest and the indebtedness and the salaries and all of that stuff is paid, what is left over becomes the net income.

Mr. Schindehette said yes, that is basically it.

Commissioner Grimyser said the way she understands it, 40% of the net income is due the City. It does not say after they decide to set up a $10 million fund over here and an $8 million fund over there, etc.

Mr. Schindehette said it does say that.

Commissioner Grimyser said it does not say that. No place does it say it. It says they have to reserve for bonding and for depreciation expense. She is referring to Section 140 of the Charter.

Mr. Schindehette said he understands what the Mayor read today. He can say that since he has been here, they have followed the bond covenants. It specifically spells it out in there. Now what he is finding out is, if that is not the ruling factor and the Charter is the ruling factor, then their bond covenants are going to have to be changed.

Commissioner Grimyser said her point is this, she does not like what she is hearing now. Because the City has been hurting for quite a few months and they have been discussing it. All of a sudden there is all these extra millions of dollars. That gives her a not very fuzzy nice feeling. It gives her the feeling that someone is trying to pull a job on her. And they obviously have because she was not aware of this.

Mr. Schindehette said he apologizes to Commissioner Grimyser if she feels that somebody has been trying to pull something over her eyes. But these budgets have been like this for as long as he has been here and the reserve funds are in there.

Commissioner Grimyser said she feels that she probably is at fault too for not looking further into it. But also, she does

not want to see herself in her last couple of hours as a Commissioner deciding what amount of money should be transferred to the City. She would like to see the Commission deny the request and then get the U.A. working on it and come back with something else that might be acceptable to the new Commission. She just does not feel comfortable with trying to set a figure. She thinks they need to get a different way or methodology of coming to an answer to this. Is there enough time?

Mr. Schindehette said they have thirty days according to the Charter to take action or it automatically is approved.

Mr. Schindehette said he thinks they have two things that they are all talking about. The first thing is the overall big picture that City Staff has recommended they change and look at reviewing the whole transfer formula. That is one issue, and he thinks that is going to be addressed. They also have a situation of this particular Budget Amendment. Can something else be done, is what he thinks the Commission is asking. He would assume it is possible for the U.A. Board to take this Budget Amendment they have just passed and go back to it tomorrow. The Board will have one more meeting before the thirty days is up; and he would assume the U.A. Board would take in consideration what the Commission has been asking and discussing. They had the right to adjust this amendment already before it even comes to the Commission, is that correct?

City Attorney Brennan said right now it is before the Commission. They have the options - they can approve, disapprove, or they can vary it downward. If they put it off, they have got to meet and make a decision within thirty days from today's date, which is when it is being presented to the Commission, or it will be deemed to be approved the way it has been submitted.

Commissioner Grimyser asked what if the Commission denies it?

City Attorney Brennan said if the Commission denies it, then it is ruled on. Then the U.A. can go and work on it and come back again.

Mr. Schindehette said that is correct.

Mayor Dannahower said going back to one comment that was just made in the discussion between Mr. Schindehette and Mrs. Grimyser. The discussion related to what governs the dollars that go into various reserve funds. There are obviously the requirements of the Charter and there are the requirements of the bonds. The bonds do contain covenants that are important covenants and that he thinks everybody has every intent to always meet. But those bond requirements is a $1.4 million. They need to keep that in mind when they are talking about what the requirements are. That is all that is required. That very well may not be sufficient, he is not saying that it is. But he wants to be sure that they clearly understand what the bond requirements are and what the Charter requirements are.

Commissioner Drummond said he concurs basically with what everyone is saying in the sense that they are essentially looking at two issues. One is going to be long term matter; he certainly does not think it is going to be resolved today as to what balances should be in these reserve funds, and whether or not there should be a change in the transfer policy, and those sorts of things. But the other one which is short term and which he is very much concerned about is as it relates to this one Budget Amendment request that the U.A. Board has already acted upon. He wants to be sure, because there seems to be a discrepancy as to opinions, as to whether or not these monies can be adjusted. It is a good policy to try to stabilize the rates, if indeed they have had some kind of good fortune as a result of some months where they got increased revenues. So before they just throw it

all out, he wants to be sure that if they do reduce or change the amount that is placed into the rate stabilization account, that they know that they can still meet the intent of the U.A. Board that they stabilize the electric utility rates over some period of time. So he wants to be sure that they can get that part resolved, as well as looking in terms of how they are going to handle the formula problem so that those dollars are coming to the general fund. If they do not do it this way, the $865,000 would have to go to capital expenditures? He has heard it two different ways, and he wants to be clear as to whether or not a lesser amount of those dollars still can be placed in the Rate Stabilization Fund so that they can certainly stabilize those electric rates. That is his concern as well.

Commissioner Grimyser said when they are talking about the 40%, right now the U.A. is putting money in the reserve funds and they are there for a specified time. When the U.A. takes it back out into their revenue stream, then if it is still profit - because they might take it out because they have got a problem so they might lose it - why can't the City get the 40% before that extra money goes into the reserves. That way, there would be no problem at all. The City too can use a contingency fund for hurricanes that come along that are not covered by the Utilities Authority's insurance and all the other stuff. She does not want the money to go throwing it away instead of it sitting over there in the U.A. reserve fund. When it comes out of the U.A. reserve fund to get into the revenue stream, it still has to remain profit; or the City does not see a piece of it.

Mr. Schindehette said he thinks the reason is because the U.A. follows the bond covenants. They take gross revenues and the first thing they do is subtract out depreciation, then they subtract out O & M, and then they subtract out debt service; and their bond resolutions say then subtract out the R & R if they have it, the Emergency Reserve if they have it, and the Rate Stabilization if they have it. Now after that is done, then they compute the 40%. It does not say to compute the 40% and then go back and put it in the reserves.

Commissioner Grimyser asked is that so?

Mr. Elam said in answer to her question, monies going in to the Renewal & Replacement Fund are restricted on what they can be used for coming out. They are restricted to enlargements, additions, or replacements of capital assets of the system. So once it goes in there, it cannot come back in for the operating. It has got to be used for the capital type items.

Commissioner Grimyser said that is fine. But what about the Rate Stabilization Fund? They have more money than the other.

Mr. Elam said to his knowledge there is no restriction at all on the Rate Stabilization Fund.

Mr. Schindehette said the Rate Stabilization Fund is the smallest of the three.

Mr. Elam said it currently has $677,000.

Commissioner Grimyser said before they transfer the $865,00 into it.

Mr. Elam said the Renewal & Replacement Fund has $5.1 million.

Commissioner Grimyser said she just has a problem with, in case they are still making a profit after they put it in and take it out and all this other stuff, then the City will get 40% of what is left. That is the part that bothers her. She can see with the bond covenants, certain things need to be reserved ahead of time; but she would like to see the 40% before instead of after.

Mr. Schindehette said there again, that is the transfer formula. If the big picture changes everything, that would be the time to change that. All that would be eliminated if they went to a straight gross revenue type formula, then they do not have to calculate all that stuff.

Commissioner Drummond said as he is understanding, the Commission can decrease but cannot increase any line item. If they decrease that by any amount, that amount that they decrease it by will go back into the U.A.'s general revenue stream and come to the City essentially 40%.

Mr. Schindehette said correct.

Commissioner Drummond said the U.A. can still take the balance of that and reduce or postpone the need for increases in rates for electric.

Mr. Schindehette said that is what he interprets what the Mayor read out of the Charter. The U.A. must have been wrong; they have always felt it was for capital as the R & R Fund is restricted for that.

Mayor Dannahower said he will point out that the Auditor and the City Attorney both have the same interpretation; and he is basing his interpretation on theirs. If in fact the Commission chose to take the whole $865,000 from Rate Stabilization Fund and basically put it back into profit, then it would be recalculated. The effect on that would be about $346,000 to the City and $500,000 plus would go to the Utilities Authority into their general fund. That $346,000 would represent less than 1% of the electric revenues for this past year, to give them some idea of what taking that $346,000 away would mean. So the effect of taking that is very minimal in the electric fund. It is about 9/10ths of 1%.

Commissioner Drummond said but if they went back and they took out all the $865,000, then what he is hearing is at that point it could not then be replaced back into the...

Mayor Dannahower said they would not call it Rate Stabilization Funds, it would be surplus.

Mr. Schindehette said it would be working capital and it would stay in the working capital fund.

Commissioner Drummond said but they could not place it back into the Rate Stabilization Fund.

Commissioner Grimyser asked why not?

Mr. Schindehette said no, because it is after the 40%.

Commissioner Grimyser said that needs to be changed.

Mr. Varella said it can only be taxed once.

Commissioner Grimyser said it can only be "taxed"?

Mr. Varella said it is his understanding that it can only enter into the formula computation once. Meaning they have calculated the net as defined and calculated the City's share of that net as defined and it can only be entered into the computation one time.

Commissioner Grimyser said those millions of dollars that they have in reserve accounts that the City has not gotten their 40% on yet...? When it is in a reserve account, the City has not gotten their 40%; but when the City gets their 40% it cannot stay in the reserve account, they have to take it out and spend it. Is that what he said?

Mayor Dannahower said they have to take it out and carry it in some other fashion.

Commissioner Grimyser said right. She does not see what the problem is.

Mayor Dannahower said there is no problem. It is surplus, it stays as retained earnings, whatever they want to call it.

Mr. Schindehette said right, it is in the working capital and retained earnings. It would not be sitting over in the Rate Stabilization Fund; it would be in the Working Capital Fund.

Mayor Dannahower said not in terms of working capital for capital improvements. He thinks that is a misnomer that is confusing.

Commissioner Drummond asked could the U.A. then put it in their unrestricted cash balance fund?

Mr. Varella said it would be in the unrestricted working cash. Those monies are used for capital projects.

Commissioner Drummond asked they cannot pull monies out of that?

Mayor Dannahower said Mr. Varella is back to saying that the 60% has to be used for capital projects.

Mr. Schindehette said no, he did mean it has to be, it could be.

Commissioner Bluestone said he is a little confused. If in fact they do as has been suggested, send the money back to general fund and then the City gets their 40% out of that money, why is it not possible to then take the remaining some $400,000 or whatever and put it into the Rate Stabilization Fund? What is the problem with doing that? That is what he is a little confused on. Is there a prohibition against that? Or is that something they can in fact do if it were in fact the will of the Utilities Authority Board to do so?

Mr. Elam said he does not know why they could not do that. Because there are no restrictions that he is aware of on bringing it out of the Rate Stabilization Fund. However - this is what Mr. Varella was trying to get across - once the 40% has been transferred, when it goes into the Rate Stabilization Fund and comes back, it will not be hit again.

Commissioner Drummond said but as it stands right now, it is not in the Rate Stabilization Fund yet, the $865,000.

Mr. Elam said that is not in there yet until this is approved.

Commissioner Drummond said it is not in there yet. So in actuality they do not have to worry about saying that they pulled it out and tried to place it back in. If the City does not approve it, it is not even in there yet. So the U.A. Board can on its own direct where they want those funds to go.

Mayor Dannahower said if in fact they are going to commingle here something that maybe should not be commingled... They have got $667,000 in a Rate Stabilization Fund that the City has not received its 40% on. Now if they are going to put money in there that the City has received their 40% on, it is going to get even more confusing it. If it is done in some fashion as the Rate Stabilization Fund, there has got to be some way to get what is already in there out; or not do it the way it is being suggested.

Commissioner Bluestone said number one, he thinks it is incumbent upon the Commission to perhaps provide some philosophical or policy guidance as to just what the City's expectations are. He thinks it is kind of unfair from one standpoint to keep going

along the way they have been for so many years. It is correct, that is exactly how these funds have been set up and they have been structured the same way for years, it's nothing new. The last few months they have been talking about it because of the fiscal crisis they have been facing in the City. They are starting to look underneath every rock to see what is out there. He thinks what they Commission needs to do is hopefully come up with some kind of policy to give some king of guidance to the Utilities Authority Board as to what the expectations of the City Commission are with regard to funding, because it is kind of unfair for the U.A. Board to make decisions and then the City Commission countermands the decisions. They are operating in a vacuum with that kind of situation. Number two, if the City does in fact gain some additional revenue from however this is finally transacted, he would hope there is some way of earmarking the funds to lower the taxes for next year rather than just simply put it in a pot and come next year they have raise taxes again even though they have received some additional revenue. He is just going to throw those two issue out on the table. As one Commissioner, he thinks those issues are important.

Commissioner Burdge said he can understand the aspect of old money/new money as far as the Rate Stabilization Fund is concerned. What if the Commission decided they could go ahead and make that just Utilities Authority money by withdrawing 40% of the current balance that is in there, which could be an additional $270,000 that could come to the City? Including with the $346,000 that they are talking about this afternoon, it would be in excess of the $616,000. He would really like to be able to look in this document that the U.A. has presented to them and see where these funds are and see the balances.

Mr. Schindehette said the balances are on Page 1 of Budget Amendment No. II. It lists Debt Service, Renewal & Replacement Fund, Emergency Reserve Fund, Rate Stabilization Fund. As they can see, there is no monies proposed to go into the Renewal & Replacement Fund or the Emergency Reserve Fund. At the last U.A. Board meeting, the Mayor asked were there monies in the budget for those to begin with. He answered the Mayor, no; but he was answering under recollection of Budget Amendment No. I. The original budget that they presented to the U.A. Board did include projected transfers into all of those funds.

Commissioner Burdge asked with balances shown?

Mr. Schindehette said no.

Commissioner Burdge said that is the thing. He also found it difficult when he initially started discussing City finances. Contingency funds are reflected in budgets. But these reserve funds, unless somebody asks the question just right... There is the Renewal & Replacement Fund, the Emergency Reserve Fund, the Rate Stabilization Fund, the unrestricted operating accounts, the impact fees. There are almost half a dozen funds out there. The common folk come in and ask "How much money do you have in the bank". They are told "Oh, there is no money in the bank". But they have all these reserve funds. And unless somebody asks the correct question "What are the reserve funds", then they finally get somewhat of an answer. The City has a reserve fund also; and every month they receive a report on it across the line on how much is in it. That to some degree is not reflected in the budget that is presented. A transfer from reserve funds are sometimes noted. It may not show up on a budget, but there are monies available. And that is what he is seeing here. It is like the smoke and mirrors - they do not have any money but they are millionaires because they have got it tucked away somewhere. If someone does not ask the name of the bank, they are told there is no money because they asked about the wrong bank.

Mr. Schindehette said he can only answer that the audit has all the balances that Commissioner Burdge is talking about. And the audit is a part of the City audit. If he is saying that when the U.A. sends over Budget Amendments to the Commission that they would like to see balances, that can be done. It has not been done as it has always been contained in the audit, which becomes part of the City's audit.

Commissioner Burdge said they get that once a year.

Mr. Bergalis said just to clarify something. Yes, the report does have the restricted assets and the reservations of retained earnings. But he does not believe, unless it is somewhere within the financial statements that he is unaware of, does it particularly delineate what is in an R & R Fund, what is in a Rate Stabilization Fund, what is in an Emergency Reserve Fund. It just shows up under categories as restricted assets and reservations of retained earning or designations of retained earnings.

Mr. Varella said the detailed analysis is included in the notes of the financials, so that each one of the balances of the specific funds plus the minimum balance requirement is in there.

Mr. Bergalis said just one last comment. Not to become argumentative, but in the notes of the Financial Statements that go into the City's Comprehensive Annual Financial Report that contains both the City's statements and the Utilities Authority statements, that information is not in there. It is in the report that the Utilities Authority prepares; but it is not in the notes that is in the report that they put together with both the City's statements and notes and the Utilities Authority statements and notes that is given to the Commission.

Commissioner Burdge said it is in somebody's book obviously. But the books that are sent to the Commission are two or three inches thick, and maybe it is a one or two lines somewhere in the notes. And reading Financial Statements from Utilities Authority, they go on and on. Unless someone is a Finance Director, at times they do not understand what is going on. That is why they rely on Staff, to help the Commission with those particular things. The bottom line is, what does the Commission want to do at this particular point? He thinks they need to get to the point. They understand that there is a lot of money in a lot of different funds. Whether the amount of monies is the correct one could be debated on whether they feel comfortable with whatever amount. But he feels that this afternoon that they have been called to this meeting to discuss this $865,000 to some degree and for the Rate Study and also the Amendment to the Budget; but they have been centering upon how much money is in the reserves of the Utilities Authority and how and what portion of that monies could be transferred to the City. He has questions on the Rate Study but he will talk about that later. He would rather get to the point of, are they going to request 40% of the $865,000 come to the City? Could it be the Commission's decision to make the Rate Stabilization Fund not a commingled fund and also request 40% of the current balance, so that it would be in a sense the Utilities Authority Rate Stabilization Fund that has the City's amount of monies withdrawn? He totally agrees with Commissioner Bluestone on the aspect he does not want to see this money just thrown to items that the Commission could spend frivolously over the next year. The City has not had any road improvements and resurfacing in a number of years, and possibly some of these monies could be spent this year on that. He has had discussion upon that on the current contingency, that some of that money hopefully might have been able to be spent on resurfacing. Reduction in taxes is always something that he is interested in. Reduction in operations cost is something that he is very seriously more interested in. He has always been interested in trying to reduce the cost of government.

Mayor Dannahower said if in fact they end up with monies that they did not anticipate, he would urge the Commission to be very reluctant at this point in time to start spending any of it. They will have very likely a difficult budget time ahead of them again. There are some internal things. They probably have to look very seriously at the pay for their policemen. He thinks it would be much more appropriate, if in fact there are more funds, to sit rather tight and wait until they get more into the budget year. They will have two new Commissioners that will have a better opportunity to understand what is happening. He concurs and has urged the street resurfacing; but he thinks that can be done six months from now as well. So he would hope that whatever happens, if there are some funds there that they did not anticipate, that may be held for the time being until they see what the status of the City really is.

Mr. Schindehette said Mr. Burdge stated some figure of what the increase in the transfer would be; he came up with $616,000. He does not know how Mr. Burdge got that figure; but he thinks it is a bit more than that. As it stands now, with the Budget Amendment as presented to the Commission, the increase is from $2.305 million to $2.755. That is $450,000.

Commissioner Burdge said currently in the Rate Stabilization Fund it has been reported that there is $677,000. His idea is 40% of the $677,000 which is currently there, plus 40% of the $865,000. It would clean that account so that it is understood that the City has received its 40% out of it. And from that point on, as far as he is concerned, that before any monies were to be placed in there the City would receive its money first, and that account would be strictly an unencumbered Rate Stabilization Fund that the City has already taken their part out.

Mr. Schindehette said he believes that would be a policy direction the Commission would give to the U.A. Board. Because right now the U.A. Board will have to go back and take that $677,000 back out and present 40% to the City.

Mayor Dannahower asked on these reserve accounts that the City still has its 40% to come out, is the interest also split 60%/40%?

Mr. Varella said if they transferred it prior to calculating the 40% City's share, when they take it out of those funds and use it, they would include it in the revenue stream again.

Mayor Dannahower said the question is, does the interest that those accounts earn stay in that account, so that when it comes out the interest is also split 60%/40%?

Mr. Varella said the interest is included in the annual U.A. Financial Statements yearly. In other words, the only interest that the Utilities Authority does not include in the 40% calculation is the interest on construction bond proceeds. Meaning that if they have got a fund for R & R and it is earning interest, that interest income is included in their annual interest income that they calculate the City's 40% on.

Mr. Schindehette said so it is in the revenue stream and doesn't stay within the fund.

Mr. Varella said that is correct.

Commissioner Grimyser said it is part of the general profit rather than the particular fund.

Mayor Dannahower said he was sure it was that or else it was split out. He wanted that in the record. One thing that still concerns him is, why was there such a large increase into the R & R between 1991 and 1993?

Mr. Schindehette said because they knew the bond money was running out, the bond money they had borrowed in 1991, and they were preparing to go into that fund so they would not have to go back to the bond market again for as long as they could. In other words, they had been building that fund knowing that when the bond money runs out now they can go into R & R Funds as if it were a bond fund instead of going to the bond market and incurring the expenses of a bond issue. So when this bond money runs out, which is basically right now, now their intentions were to draw from the R & R to keep from going to the bond market.

Commissioner Burdge said concerning the proposed rate increase, the question that he has is within the Rate Study. The study was directed to look at a 20% surcharge for living outside the community as compared to the current 25%. Why? Why did the U.A. Board decide that would be a good thing to do?

Mr. Schindehette said basically to keep rates below the County on the sewer side. (Mr. Schindehette distributed pages from the Rate Study.) This is a excerpt out of the Rate Study and he will sum it up for them. The 20% and the 25% difference is one penny in the usage rate. Take for instance, water. At 25%, for 3,001 to 10,000 gallon usage, the volumetric charge is $1.51. If they go to 20%, it is $1.52. That one penny difference makes a difference of keeping the U.A. under the County on the sewer side when they go outside the City limits and add the surcharge for the typical 10,000 gallon usage level. The U.A. is trying to stay below the County.

Commissioner Burdge said if his calculations are correct, this deals with water, the 3,001 to 10,000 gallon usage current rate is $1.46 and the proposed rate is $1.52. And 25% of $1.46 is $.365 That is what the surcharge would be at 25%. And 20% of $1.52 is $.304. That is almost $.065 per thousand gallon difference in revenue that the City and Utilities Authority could be receiving. For every 1,000 gallons, they are going to lose $.065 in surcharge revenues. It gets worse as they go up. If he is fielding this correctly, for 10,000 to 15,000 gallons, the current rate is $1.83 and the proposed rate is $1.90. Instead of receiving $.457 at 25%. They would only receive $.38 at 20%. That is a difference of $.077. Anyone using over 15,000, they are currently paying $2.19 plus the 25%, which is $.547. They would drop to $.456, which is a $.91 differential. The more water that would be used, the less revenue the Utilities Authority would be receiving from people outside the City of Fort Pierce. His opinion would be is that he would prefer to at least keep the revenue source the same; meaning that at the 3,001 to 10,000 gallon rate, at the proposed $1.52, the $.365, whatever percentage that would compute out to, that would be it. If his thought train is correct, they are losing money. How can they possibly go into the business side of losing money? For what? Just to stay under the County's rate? In a typical month he believes the proposed rate is still within some ranges.

Mr. Schindehette said the bottom line answer to his question is, yes. Obviously if they lower the surcharge from 25% to 20%, they are going to lose some revenues. Why is that a good business decision? Because they have to think in terms of they are in fact, whether they like it or not, in competition with the County. Let him take for instance an area like Indian River Estates. There are a lot of potential customers down there. If the Indian River Estates group ever decided they wanted to have water, they are going to look at both entities to see what is the best deal. If they see the U.A. charging more than the County, then why would they want U.A. water if they are going to pay more. So the U.A. may lose money on the short term day to day revenues; but if it can get them more customers, they are going to win in the long run because now they have the annexation agreements plus they have more customers. So it is a business decision. It is a marketing thing is what it is.

Commissioner Burdge said let him talk about marketing. Would it not be in the interest of the Utilities Authority - and he knows that a study has been done as far as water is concerned - to use those monies, if his understanding of the Reserve & Replacement Fund is correct, to use those monies to run water lines to entrap or enclose Indian River Estates. Run lines down Easy Street, up Sunset or one of the other ones, back towards the City. Don't they think those folks, after they realize that water is there, that they would start asking for those lines to be drawn to their house?

Mr. Schindehette said without knowing the figures he is going to make a quick statement. He does not believe the revenues Commissioner Burdge is talking about, the difference in revenues from the outside City surcharges in water, would even begin to pay for the cost of a project to run a water line to Easy Street. They are talking about millions of dollars for that project. He thinks they are going to find that revenues from surcharges, the difference in that 5%, is a drop in the bucket.

Commissioner Burdge said he understands that; but on Page 53 (of the 1993 Water & Wastewater Rate Study), the St. Lucie County 10,000 gallon rate is $28.37. The proposed U.A. rate at 20% surcharge is $21.14. That is about $7.00 difference.

Mr. Schindehette said then they add 20%.

Commissioner Burdge said no, it is already there. It says "Reflected Rates Using Outside City Surcharge of 20%".

Mr. Schindehette said no, that is not correct. The figure for the Fort Pierce Utilities Authority, that is the inside City water rate. They calculated it using the 20% concept. Because if they had used the 25% concept, that $21.14 for the U.A. would have been slightly lower.

Commissioner Burdge said let them figure the 20%, which on $21.00 is $4.00 and some change. Now they are up to $25.00, which is still below the $28.37 St. Lucie County rate.

Mr. Schindehette said in water, they would still be all right. Go to the wastewater and they would be slightly above that, if he is not mistaken. There is one other thing that he needs to address and it is quite important. Again, they have to look forward to things that are going to happen. Every year since he has been the Director, in the State Legislature there have been bills that have been introduced that have advocated allowing non-chartered counties the ability to assess a utility tax on utility bills because they do not have that ability now, he thinks unless they are chartered. And the reason and the concept is because a lot of the State Legislators feel that outside city limit customers of municipals do not have representation; and their feeling is let the counties derive some revenues from this. It has not passed; but every year it gets closer. The point is, if the counties are allowed through State Legislation to add the 10% utility tax like the City has now, then every utility has got to start looking at what are they going to do when that happens. Because when it happens, it is going to happen right now. That would mean that outside city customers have an immediate 10% added on to their bill just like inside city customers, and then the utilities would have the extra 25% on top of that. Nobody feels like that is going to fly with any customer. So a second part of why they are recommending dropping this is to start slowing adapting to the fact that eventually the County is going to have a utility tax. The U.A. would be in for a revenue rate reduction if they got hit with having to eliminate that all at once. So it is a two-fold thing - trying to stay competitive on the wasterwater rates and also starting the slow process of weaning off a full 25% surcharge. They feel they are going to lose it anyway.

Commissioner Burdge said all right. On Page 54 (of the 1993 Water & Wastewater Rate Study), if they look at the U.A.'s proposed rate for 10,000 gallons, it is $33.80. The 20% surcharge would bring that up to just $40.00. St. Lucie County's rate is at $40.20. What differential would the 5% make on that particular point. They are so close. They do not know what St. Lucie County is going to have to do in the next little short time.

Mr. Schindehette said the 20% takes the U.A.'s outside rate for 10,000 wastewater from $33.80 to $40.56, slightly ahead of the County. Obviously, 25% would make it worse.

Commissioner Burdge said $.15 more.

Mr. Schindehette said okay; but he is telling Mr. Burdge in this business the customers look at the bottom line. If they see rates are higher, why should they want to hook on to Fort Pierce Utilities Authority and have to sign an annexation agreement, when they can hook into the County system and do not have to sign an annexation agreement.

Commissioner Burdge said because the County does not have a sewer system. And when is the County going to have that?

Mr. Schindehette said he understands; but there are areas like across Midway Road over by the Sheriff's project. Right now they are going to hook up the Sheriff's Administration complex because the U.A. is not down there. They have the ability to hook it up. So there are areas that the two systems join. When customers start looking for service, they are going to start weighing them against each other to see what is the best deal. It is a competitive thing. And the U.A. is trying to stay competitive. Obviously if they reduce the surcharge the revenues will go down a bit; but they feel it is going to increase their competitive nature to add more customers and also add the annexation agreements faster.

Mayor Dannahower said he has no problem with the 20%. But in fairness they do have to point out two factors. One is the fact that the County is going to have to raise their rates. They would have already raised them 8% plus if it were not for the potential sale. And the second factor that may enter into the competitive bid is if in fact with this proposed Rate Study they removed the construction charges, the impact fee, then that will certainly make this more competitive in terms of St. Lucie County which already has a very large impact fee. A lot of developers are going to look at those impact fee dollars a lot more than they are $.15 a thousand gallons or whatever. So there are those factors that will still keep the U.A. very competitive. Again, he has no problem with the 20%, he is not arguing to go back to the 25%. But there are other factors there that will keep them more competitive than what it appears on the surface.

Commissioner Burdge said another question. He noticed as far as the irrigation customers that the increase has been such a large increase, 125% and 150% as far as the levels are concerned over the minimum to 15,000 gallons then over the 15,000 gallons. He does not know what the stream of revenue is on that. He just needs to understand why, when he sees those percentages. He could not find it by reading.

Mr. Schindehette said the reason for that is, when the irrigation only rate was established, it was established because they had many customers saying that they were watering their yards at a residential establishment with City water and they did not like paying the sewer charges. So they asked to install a separate meter, and the U.A. created this irrigation only meter. At the time, they worked the South Florida Water Management District and they were very quick to point out - and the U.A. agrees - that

they should be doing things to discourage using treated water for sprinkling and irrigation whenever they can. When it was first initiated and presently, if someone had a house and they wanted to convert to an irrigation only meter in addition to the regular house meter, they would have to have paid an impact fee plus a little higher rate. Now if the impact fee is gone, if the U.A. does not compensate by a much higher rate, then the homeowner's basic economic decision is it is a deal to go to the irrigation only meter because he would not have to pay that $1,400 impact fee anymore. That's the reason they upped the usage charge. A homeowner will still have to make an economic decision, is he going to have a good payback going to an irrigation meter when he knows he will end up paying twice the rate by doing it? Again, the U.A. is still trying to discourage the use of irrigation only meters. A lot of people will keep sprinkling through their house meter. That does not discourage the usage, they still use treated water; whereas some people if they had the irrigation meter they might watch it closer. He cannot say how their usage patterns are.

Commissioner Grimyser said she does not agree with that. Impact fees were supposed to be for people moving in and putting in extra lines and all this other stuff. When the U.A. decided to charge them the sewer rates for what they were using to water the lawns, all the folks that live on the beach paid to have the extra meters put in; and the U.A. graciously did not charge them impact fees again, which they had already paid when they hooked up in the first place. So now Mr. Schindehette is telling her nobody is going to pay impact fees, but they are going to charge everybody twice as much for the water.

Mr. Schindehette said just for irrigation.

Commissioner Grimyser said it's going to cost her twice as much.

Mr. Schindehette said if she has an irrigation meter.

Commissioner Grimyser said she does.

Mr. Schindehette said but the majority of customers do not have irrigation only meters.

Commissioner Grimyser said everybody at Ocean Village does, everybody at the Colonnades does, everybody at Entrada Del Mar does. If the U.A. is going to double the charge on that just because they want to be nice to the developers and not have an impact fee...

Mr. Schindehette said it also forces those condominiums to make that decision; the U.A. is discouraging the use of treated water.

Commissioner Grimyser said they would love to be using the half treated water. But that is too expensive and they do not have enough people wanting to use it.

Mr. Schindehette said correct. The condominium's decision might be that maybe it is cost effective to sink an irrigation well and not use treated water; and then the South Florida Water Management District would be very happy and the U.A. would be pleased because their valuable resource would not be used for sprinkling lawns.

Commissioner Grimyser said she wants that valuable resource used in the City of Fort Pierce or someplace where for sure they are going to be able to annex. She is not too interested in sending it down to Easy Street.

Commissioner Burdge said he noticed on Page 5 (of the 1993 Water & Wastewater Rate Study), the water service rate is anticipated going up 8.9% and the wastewater 17.8% based on monthly water use

of 10,000 gallons. Does the Utilities Authority have any way of being able to pull out those people who just use what are called "minimum bills"? Because when they get down to the minimum bill person, the rates are actually an increase of 14% for water and 32% for wastewater. He is looking at the retiree who calls him frequently and says he cannot fill his garbage can up, so why is he being charged so much. He knows the answer is going to be, because they have to pull the truck up and dump it regardless if it is full of empty. But in this particular case, the minimum is at 3,000 gallons, and there are people who use less than 3,000 gallons. He does not know how many that there are, he does not have the data for that. And he does not know whether it can be pulled or not. But for the retiree, the one or two person household, the rates are actually much higher than for those who use the 10,000 gallons that they have made their assessment on.

Mr. Schindehette said the percentage increase is higher. It is a smaller dollar probably for them, but it is a higher percentage. The dollar figure might be greater with the 10,000 or 15,000 gallon usage. He thinks they could get those figures.

Commissioner Burdge said for how many people are at those levels? He would personally just for information like to have that if it could be provided to him.

Mayor Dannahower said he would like to make a suggestion. First he thinks it might be appropriate if the Commission agrees to go ahead and disapprove that one line item relating to the $865,000 going to the Rate Stabilization Fund, and send that Amended Budget back to the Utilities Authority for them to deal with again. He would also suggest that they send back the Rate Study. He feels that it should go back if for no other reason than to consider those Rate Stabilization Funds be used. That in itself would not amount to much; but there might be some other areas that could be looked at - R & R Funds or other funds - in terms of potentially reducing those rates. That is his suggestion. That would have given the old Commission an opportunity for them to have had input into and also give the new Commission the final say on it. That is his suggestion at this time.

Mrs. Mary Ann Bryan (Commissioner-elect) said does she understand that the City Commission is not taking action today?

Mayor Dannahower said that is what he is suggesting, except on that one line item. But the two Agenda items would basically go back to the U.A.; and then come back to the City Commission.

Mrs. Bryan said perhaps she would save her remarks until after a motion is made, because what she needs to say is probably not necessary if this is not going to be.

Motion was made by Commissioner Grimyser, seconded by Commissioner Bluestone, to deny the approval of Resolution No. U.A. 93-19, Amending the Budget of the Fort Pierce Utilities Authority for Fiscal Year 1992-93.

Mayor Dannahower asked does she mean deny the whole budget amendment?

Commissioner Grimyser said yes.

Commissioner Drummond said he can vote in support of that. Members of the U.A. Board are present in the audience. It would certainly be his intent when voting on it when it comes back that there is a line item presented to the Commission that does show rate stabilization.

Mayor Dannahower asked so that they are clear, is Commissioner Drummond saying that those funds stay in there as they are as rate stabilization?

MINUTES OF A REGULAR POSTPONED MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE CITY HALL COMMISSION CHAMBERS, 100 NORTH U.S. #1, FORT PIERCE, FLORIDA, AT 7:00 P.M. ON TUESDAY, JANUARY 18, 1994.

Mayor Dannahower called the meeting to order.

Rev. Trevor Banks, Ressurection Life Family Worship, gave the invocation.

The Pledge of Allegiance was recited.

Upon Roll Call, those present were: Mayor William R. Dannahower; Commissioners Mary Ann Bryan, Robert J. Burdge, Darrell J. Drummond, and Reginald B. Sessions; City Manager James A. Powell; City Attorney John T. Brennan; and City Clerk Cassandra Steele. Those absent: None.

Mayor Dannahower proclaimed the Month of January 1994, as "National Opticians Month". Fabian Bastidas was present to receive the proclamation.

Mayor Dannahower proclaimed January 23-29, 1994, as "Florida Law Enforcement Torch Run for Special Olympics Week". Bob Provost was present to receive the proclamation.

Mayor Dannahower proclaimed February 20-16, 1994, as "National Engineers Week". Hector Arias was present to receive the proclamation.

The following letters will be kept on file in the City Clerk's Office:

Memorandum of telephone call received from Mrs. James Harris thanking Director of Public Works Bob Morgan and the Public Works crew for the great job they did.

Letter from E. M. Bengyak, #1 Jewelry, Inc., in appreciation of the help received from Fort Pierce Police Officer Ronald Chabot.

Letter from Ann Dunshee in appreciation of the Fort Pierce Police Department for all the good things they do and the risks they take and the hours they work.

Letter from Sunny Gates thanking Fort Pierce Police Officer Fred Pate for his additional efforts.

Letter from Linda Van Natta, Neighborhood Housing Services, thanking Director of Public Works Bob Morgan for his cooperation, assistance, and support.

The next item on the Agenda was Approval of Minutes of the Regular Meeting on December 20, 1993, and the Minutes of the Special Meeting on January 3, 1994.

Motion was made by Commissioner Drummond, seconded by Commissioner Burdge, to approve the Minutes of the Regular Meeting on December 20, 1993, and the Minutes of the Special Meeting on January 3, 1994.

Mayor Dannahower said for the record, those who were not members of this Commission at the time of those meetings should vote "Present" rather than yes or no.

Those voting in favor of the motion: Commissioners Burdge, Drummond, and Dannahower. Those opposed: None. Commissioners Bryan and Sessions answered "Present".

The next item was the Consent Agenda. Mayor Dannahower asked would anyone like any items to come off the Consent Agenda?

Commissioner Drummond said he would like Item 8C (concerning bid from Gator Ford for Multiple Purpose Water Truck) to be removed for later discussion.

Motion was made by Commissioner Drummond, seconded by Commissioner Burdge, and unanimously carried, that the following items on the Consent Agenda be approved:

A. Approve Minutes of the Regular Meeting on January 3, 1994.

B. Accept lowest and best bid received from RMI-F for 860 90-Gallon **Refuse Containers** at $40 per unit for a total of $34,400.00. Bid No. 4230

D. Approve Change Order #1 to contract with M & N Enterprises, Inc. for **10th Street Park Renovations**, to extend the contract time for an additional 15 calendar days.

The next item on the Agenda was Mr. Harry Schindehette, Director of **Fort Pierce Utilities Authority**, to report on Utilities Authority Resolution No. U.A. 94-2, Amending the Budget for Fiscal Year 1992-93; the Water/Wastewater Rate Study; and the Natural Gas Rate Study.

Mr. Harry Schindehette, Director of Fort Pierce Utilities Authority, said since his appointment as the Director in 1985, he has stood before this Commission eight times presenting a final budget amendment for the fiscal year of the Fort Pierce Utilities Authority. He is here tonight presenting the final budget amendment, which is technically Budget Amendment #2 for the U.A.'s FY 92-93 budget year. During the course of a fiscal year, the U.A. may present one, two, and sometimes three budget amendments to this Commission for its approval. Sometimes there is only one budget amendment, which is the final budget amendment. But whenever the U.A. closes out its business year, they have to present a final budget amendment. The external auditors cannot close the books out technically until the Commission approves the final budget amendment. What they have before them tonight is the last amendment for the budget year 1992-93. The same information presented tonight has been presented to them in all the previous final budgets. It is important for the public's benefit and the Commissioners who did not hear the discussion at the recent U.A. Board meeting that they give the background as to where the U.A. comes up with the transfer to the City because that seems to be the main item of discussion this year. It is important that each Commissioner fully understand the transfer formula as it is now established in the U.A. Bond Covenants and the Charter. (Mr. Schindehette handed the Commissioners a copy of Section 140 of the Charter and pages taken from the Official Statement of the U.A. Bond Resolution, Section 3.03, hand-labeled "Flow of U.A. Funds, i.e. Transfer Formula"). He hopes to show tonight there are no conflicts in his opinion between what the Charter says should be followed as the transfer formula and what the bond covenants say. Section 140 of the Charter was established long before the Utilities Authority was established. The Utilities Authority was established in 1972 by referendum vote of the citizens. Section 140 of the Charter was in existence at that time because reference was made to Section 140 of the Charter when the U.A. was formed. He has underlined critical sections in the Charter which correspond to the bond covenants. Technically this is the Charter of the Utilities Authority, because Section 140(b) of the Charter says that bond covenants of the U.A. override the Charter. The point he is trying to make is he does not think there are any conflicts and he hopes to show that to them. The transfer formula that the U.A. has followed to his knowledge since it was formed is laid out in the covenants, Pages C-18

through C-22, taken from the Official Statement of the U.A. Bond Resolution. He will summarize what they have in the handout. The transfer formula starts out with the gross revenues as defined in Section A, Revenue Funding. Then they go into the disposition of those revenues. They start out with the gross revenues and then distribute the money commencing in the following manner in the following order of priority. This is how they follow gross revenues down to the net income line. The first thing that is taken out of the gross revenues are capital improvement charges. These are in essence impact fees, the first thing the U.A. is required to take out of the gross revenues. The next item to be taken out is operation and maintenance expenses. They present every year an O & M budget, that is what they are talking about. The next three taken out is bond funds. There are bond sinking fund, amortization fund, and a parity bond fund. These are requirements the bond holders have and the U.A. must meet these. Then they have three reserve funds. These have been the crux of all the discussions over the past three or four weeks. They are the Renewal & Replacement Fund, the Emergency Reserve Fund, and the Rate Stabilization Fund. There is also a special fund put in there specifically to cover the St. Lucie Nuclear Power Plant Contract, under unconditional service contracts. Technically it is covered in the O & M expenses because it is a contractual obligation. The bond holders want to be sure that the Florida Municipal Power Agency, which actually purchased part of the St. Lucie County Nuclear Plant on behalf of Fort Pierce, if that agency should ever go out of business the Fort Pierce Utilities Authority would still be obligated to pay their share for the ownership of the plant. That is why that is there. It is a very unique unusual paragraph. Generally speaking, the three reserves are covered under Renewal & Replacement Fund, Emergency Reserve Fund, and Rate Stabilization Fund. Going back to the Charter, based on what the bond attorney has told them about the equivalent sections in their bond covenants, they do not feel there are any conflicts. Once they take out those funds from the gross revenues, they get down to what is called the net income as defined. He has drawn a line across there and will refer to this throughout the evening as the line, above the line and below the line. Gross revenues less the expenses or reserves gives the net income. The bond covenants and the Charter say once they get to the defined net income, 40% of that figure is transferred to the City and 60% remains in the U.A. This is generally the formula. Part of the problem they have been having is, the three reserve funds were laid out to be funded from above the line. The way it is shown in the covenants, this is the way it is to be funded and this is the way the U.A. has funded it since he has been Director. They follow this formula. When they get to this point, if the U.A. Board felt it was necessary to fund the Renewal & Replacement Fund, they would fund it right after the bond funds. If they felt it necessary to fund the Emergency Reserve Fund, they would fund it right after the Renewal & Replacement Fund. If they felt it was necessary to fund the Rate Stabilization Fund, they would fund it right after the Emergency Reserve Fund. Then what was left became the net income and the City got 40% of that. They have heard City Staff and the City Manager say as far as they are concerned, this was the City's money and should not have gone into these reserves and it should have gone to the City first. The point he is trying to make is, this is the way it was laid out and the way it has been done. The question is just now coming up. If this had been a question eight years ago, they could have addressed all these problems back then; but it was not raised then. The point is, in his opinion the U.A. Board has been following this formula exactly.

Mr. Schindehette said because of the objections that have been raised, they have been able to work with bond counsel and Mr. Elam, their external auditor, and figure out a way to do what they feel would resolve the City's concern about what they feel is their money. It depends on how they look at this. If they

follow the procedure he explained, some people say everything above the line is the U.A.'s money and it is not technically the City's money until it gets below the line; but he is not going to argue the mechanics of the word. The point is, they tried their best to figure out a way... But the U.A. Board is concerned about the levels of these reserves. The City's Finance Director, Mr. Bergalis, has said he thinks they are over-funded and he is envious. He disagrees with Mr. Bergalis. He thinks the Emergency Reserve Fund is inadequately under-funded. It depends on what viewpoint they are speaking from. The whole point is, they tried to figure out a way to where the U.A. Board would be satisfied with the levels of the reserve funds and still get the money down to the City so the City would not think the U.A. was holding or deferring their monies in these funds. In this budget amendment they have come up with that solution, they think. In essence they have not changed the transfer formula. He wants that clear. The formula stays the same. The only thing going to happen is the U.A. Board will no longer in the future place monies in the reserves coming down the list. After the first three (capital improvement charges, operations and maintenance expenses, and bond funds) are funded, they will bypass the reserve funds and get the City its 40%; and then what 60% is remaining, then the U.A. Board can decide whether they want to use some of this money to put back up in these reserves, kind of going through the back door. It is legal. If this were an issue that had been raised by the Finance Director or the City Manager eight years ago they could have resolved this then. But this is the way it has been done and nothing has been said. He does not feel the U.A. Board has done anything out of line with what they were supposed to have been following. They now have figured a way to resolve the City's concerns and still maintain the U.A. Board's concerns. That is basically the generic flow of funds that the U.A. has followed.

Mr. Schindehette said at their special meeting on January 3rd, the City Commission was presented with the first final budget amendment the U.A. Board had passed. It was rejected by the City Commission and returned to the U.A. The very next day the U.A. voted to send it back to the Commission as is; but they did not have enough time to sit down, less than 24 hours, and really look at maybe a way to compromise. After that meeting on January 4th, the U.A. Board held a special meeting held on January 13th. That is when they were able to come up with this compromise plan which they are presenting tonight. The U.A. Board in essence voted to rescind the original budget amendment and present them tonight with a second version.

Commissioner Burdge asked was Mr. Schindehette's understanding to offer a compromise to this Commission from the understanding of a past City Commission at a special meeting that happened on January 3rd, right? The January 3rd special meeting gave him a feeling that something had to be changed. Is that true?

Mr. Schindehette said that is correct.

Commissioner Burdge said but this Commission that sits here now, Mr. Schindehette has not received any expression from them on whether there is a desire to change anything.

Mr. Schindehette said that is correct. They have not met with this Commission since that January 3rd meeting.

Commissioner Burdge asked what led Mr. Schindehette to believe that this Commission desires a change?

Mr. Schindehette said the impression he got was the City Commission was not pleased with it and sent it back to the U.A. He did not try to think ahead what would the new Commissioners think. The City Commission rejected it and the U.A. went back to try to figure a compromise.

Mayor Dannahower said they are getting off the point. That budget amendment was rejected by a unanimous vote on January 3rd. Is that correct?

Mr. Schindehette said that is correct, 5-0 vote. The budget amendment in their packet, Final Revised Budget Amendment No. II, on Page 1 is really a summary of that formula. Start with Operating Revenues and Operating Expenses at the top; come down and add Interest Income and Depreciation; less Debt Service, the Renewal and Replacement (R&R) Fund, Emergency Reserve Fund, and Rate Stabilization Fund. His point here is, this is the exact same page that has shown up in every final budget amendment this Commission has been presented with in the past eight years he has stood here before them. They will notice the R&R, Emergency Reserve, and Rate Stabilization funds this year have negatives in front of those numbers. That means the U.A. is withdrawing monies from those reserve funds. They did the same thing last year. Last year's final budget amendment, nothing was done to Rate Stabilization, no money was put in or taken out. Nothing was done to the Emergency Reserves. Some monies were taken out of the R&R Fund in addition to some monies being taken out of the Capital Improvement Funds. That was done to stabilize the transfer and meet the budgeted projection. In previous years, about five years prior to that, all of these figures showed positive figures, which meant the U.A. Board was putting money into those funds. That was what they were doing, building the funds to what they felt were respectable levels. Originally what was presented to the Commission on January 3rd just summarized gross revenues less a lot of expenses; and the Board decided they wanted to put $865,000 into the Rate Stabilization Fund. That meant below the line the net income would have been $6.889 million for the U.A. Take 40% of that, and the projected transfer at that time for the first budget amendment would have been $2,755,000 to the City. That was the one the City rejected and sent back to the U.A.

Mr. Schindehette said the budget amendment they have tonight is a compromise. Basically, in order to eliminate the objections the U.A. Board has voted to clean these three reserve accounts, take out all the monies that are associated with the City's 40%. Bear in mind, these three reserve funds have two ways in which they can be funded by the U.A. Board. They can be funded by putting bond-related proceeds into them; and they can be funded by putting revenue stream money in. Now with the new method there is actually going to be a third way. They can now come back with below the line 60% monies and come in and fund it from the back door. So there are really three ways to fund these reserve funds. Up until this issue came to light, they have only been using the two ways. What the U.A. Board has said is the monies that are in these funds that are derived from bond proceeds are not subject to the 40% transfer. In the R&R fund they put some bond proceeds money in there; and when the monies come out, they will not enter into the 40% calculation. The only thing that will enter into the 40% calculations are the revenue stream monies that have been put into here. When they come out, they are subject to 40%. The U.A. Board has said to take them all out right now and pass the 40% on to the City and fund it in future years from below the line so they won't have this argument again. This will not be an issue any more. Bear in mind they are still talking about a subsection of the big picture. The big picture is, City Staff has requested the overall transfer formula - this whole thing - be revised. That is still pending. The City Commission will do something about that. They are taking just a small portion of that existing transfer formula and doing something different. They are not changing this formula at all. The U.A. Board said get all of the monies that have been deferred out of there, pass it on to the City and then from now on - if this is the formula that is left - they won't have this argument again. What they have done in this budget amendment is, those three funds - Renewal & Replacement, Emergency Reserve, and Rate

Stabilization - the Board is taking money out. In the Emergency Reserve and Rate Stabilization, they have taken out all of the monies available that were contributed by revenues. Those are all the monies in those two funds that are subject to the City's 40%. Therefore, the City will be getting all of their 40% monies, if they accept this budget amendment, out of those two funds. There will be no more in those funds. There will only be bond proceeds in those funds. The R&R Funds are slightly different. It has some stringent restrictions on it. The money can only be used for capital assets. All they can take out of that fund this year is $447,000. The U.A.'s intention is to take the remaining portion out of the R&R Funds next year, which is the remaining $1.6 million, and they will pass that money on back to the City. That will clean up this issue. It will take them a two year period to take all of the 40% monies out of the three reserve funds and pass them on to the City. What the U.A. Board did was vote to refund and replenish those reserves with like monies from their 60% below the line funds. In essence, what will happen is they come down to gross revenues, but instead of putting money into the Rate Stabilization Fund which was proposed in the first amendment, the Board has said take $1.4 million out of the three reserve funds. What that does it technically and realistically raises the net income as defined from $6.889 million to $9.198 million. When they take 40% of that, the U.A. Board is proposing transfer of $3,679,281 this year. Next year when they clean out the remaining portion of the R&R Fund, there will be an additional approximately $600,000. That will be it.

Mr. Schindehette said this is a very important point that the Board members want the Commission to fully understand. This is a two-edged sword. There are good and bad points to this. By retaining monies in these three reserve funds that were derived from revenues - in essence deferring the income to the City - when there is a bad financial year faced by the U.A. such as last budget year when they had a very low financial year and their transfer would have been lower than their budgeted projection, they were able to take monies out of these funds and stabilize the transfer and get it back up. Once these 40% monies are removed from these funds, which they are proposing doing over the next two years, there will never again be the ability for the U.A. to stabilize the transfer to the City. The City will have all the 40% monies and what they do with it is up to them. If next year or the year after there is a bad financial year and they are hit with a big storm or disastrous spill or whatever, and their financial net income is low, the City will only get 40%. In a very disastrous year they could get nothing because there is no way to bring out monies to help increase that fund in the future. The bottom line is, the original budget that was presented to this Commission in the beginning of the budget year 1992-93 projected $2.66 million. They had a budget amendment last summer because they were having a bad year up until then. It dropped that projection to $2.3 million. Either way they look at it, the projected $3.679 million under this budget amendment is substantially higher than what was anticipated in the City's budget and even what was originally scheduled. He meant to say in the beginning that he saw in the audience their external auditor, Mr. Elam, and if he has said anything that was incorrect he hopes Mr. Elam would have corrected him. Did he say anything that was wrong?

Mr. Jim Elam, of Berger/Harris/Toombs/Elam/& McAlpin, said since Mr. Schindehette asked, he feels he does need to say they do believe that Section 140(a) of the Charter is somewhat in conflict with the bond covenants. He does not know that it is relevant to what he has presented here; but they believe Section 140(a) does not allow for the reduction of revenues for funding the reserves. They think it is very clear the bond covenants do provide that revenues are reduced for funding the reserves. Other than that, there is nothing he heard that was not accurate.

Mayor Dannahower asked as the auditor, does Mr. Elam have any problem with the budget amendment as presented?

Mr. Elam said no, he does not. He has also conferred with bond counsel and they both concur that everything presented here tonight is within the bond covenants. He does not see anything that is inappropriate that is being presented.

Mayor Dannahower said he wants to make a couple of comments and then they will turn to the Commission. First of all, there was some mention about the levels of the reserve. He wants to make it very clear and wants confirmation, the reserve levels of the Utilities Authority are not being affected by the increased transfer to the City. Is that correct?

Mr. Elam said the amount of monies in the reserves that are available to the U.A. are not being affected. That is correct. Mr. Schindehette has just said to him that the unrestricted funds, by replenishing the reserves, is going to be less.

Mayor Dannahower said that is basically because they are taking out income they had earned from prior years. The reserve will not be affected. It will not affect the rates in any way, is that correct?

Mr. Elam said he does not see that affecting the rates, no.

Mayor Dannahower said he wants to make that very clear so there is not any misunderstanding that the City is taking money or bleeding the Utilities Authority of money that is not technically and legally the City's money. What has happened is, along with the U.A. holding its own money in reserve accounts, the U.A. has held the City's money in reserve accounts. The proposal in front of them is to take those monies out of reserve. There will be no effect to the reserves and no effect to the rates. Also, he does not believe it is the purpose of the reserve funds to be able to stabilize a transfer. That is not anywhere in the covenants. It is simply that it was convenient that it was there at that one time. So everyone fully understands what is happening, basically the City is removing money that is rightfully their own which has been delayed in being transferred.

Commissioner Drummond asked is he understanding correctly that those funds that would be coming out of those reserve accounts, the 40%, would not have been available to the Utilities Authority if indeed they did need to draw on those funds as an emergency case? The maximum amount the U.A. would have been able to draw out is 60% of those funds?

Mr. Schindehette said when they withdraw the portion of those funds that was funded by revenue streams, that is correct. If they took out bond-related monies that were put into those funds, the U.A. would have all that available to them.

Commissioner Drummond said in essence, even though those dollars are sitting currently in those reserve accounts, only 60% are available to the U.A. in the event those funds must be utilized.

Mr. Elam said that is the minimum amount. The way the formula is structured, it is not to exceed 40%. The 40% could be reduced; which means the U.A. would have and could have more than 60% of that. The 40% is not a fixed percentage. The 40% is the maximum percentage that can be applied from that income.

Commissioner Drummond said he is also reading in Section 140 that the U.A. is not to exceed 60%. It says "...which does not exceed the sixty per cent of the net revenues remaining after computation..."

Mr. Elam said in that instance, that 60% is not speaking of the remaining 60% after they take out the 40%. That is a calculation within the formula. Where it says "...except that up to 40% of the net revenues..." may be transferred to the City, that 40% can be reduced.

Mr. Schindehette said in other words, up to 40%... One of the U.A. Board members has said that in a very disastrous year, talking in terms of a hurricane, if the U.A. Board had to bring all of the monies out just to pay the bills, it looks like they could do this and vote only to pass 5% on to the City that particular year. He is sure that person would not be a Board member very long if he did that. But the point he was trying to make was it says "...up to 40%..." and it sounds as if the Board could reduce that for extraordinary circumstances.

Mayor Dannahower said he is not sure he agrees with that and he is not sure their attorney will agree with that. As he understands it, it is up to the City Commission by Ordinance to determine what the amount will be, but it cannot exceed 40%. Once the net income as defined figure has been arrived at, the City Commission by Ordinance will determine what that transfer will be, but not to exceed 40%. It is not up to the U.A. Board to say what it will be. Is that correct?

City Attorney Brennan said that's his opinion on that.

Commissioner Drummond said the other question he has, he recalls from the transfer from last year when they did have to remove some funds from the reserve to somewhat subsidize the transfer, the U.A. attorney made a comment that was a one time deal and it could never happen again.

Mr. Schindehette said when they first starting talking about the raising of the transfer last year, they were talking in terms of just taking impact fee money and using it to up the transfer. That is what the attorney said they could not continue to do, use impact money just to increase the transfer. After the discussion came about, they were told the way to do this is use some C.I.C. monies - impact fee monies - to retire debt and then come around the back door again and use R&R money to actually go into the transfer formula to up the transfer. It was a roundabout way of complying with the bond companies. All the attorney was saying was he did not want to see the U.A. using impact fee monies to directly increase the transfer amount.

Mayor Dannahower said that is correct. But actually they did two things last year. One was, they did take money from the impact fee fund and used that to reduce the debt; and that increased the net income. Because of that, they were able to get a greater transfer. The second thing that was done was money was taken from the R&R, and as that came out the City got 40% of that. There was a double technique.

Commissioner Drummond asked was the attorney only referring to the impact fees?

Mr. Schindehette said that's correct.

Mayor Dannahower said in terms of taking from the impact fees, they cannot take it directly; but if he understood correctly at a recent meeting, Mr. Schindehette indicated there is a policy now that some of the bond indebtedness is going to be reduced by impact fee money.

Mr. Schindehette said when the U.A. attorney, Mr. Bryan, made that statement, he brought to his attention that for the past few years they had budgeted and had been using some C.I.C. impact fee monies to retire some of the bond debt. Mr. Bryan said he understood that, but what he was saying they don't come in on an

extraordinary year and just all of a sudden increase that just to increase the transfer. They continued to use some of their impact fee money to reduce bond debt. Mr. Bryan told them that is all right, it was budgeted for and approved; but at the last minute don't come in and just all of a sudden increase it, because he felt they would subject themselves to problems with people that have paid impact fees.

Mayor Dannahower said he has talked personally with Mr. Bryan, and he concurs that Mr. Schindehette is stating that correctly.

Commissioner Burdge asked the three reserve funds - the R&R, Emergency Reserve, and Rate Stabilization - would those funds be available to the City if the City chose to leave its part in them? Would the 40% be available to the City at any time with a budget amendment?

Mr. Schindehette said he assumes if the U.A. Board in the budget amendment had it coming out they would get it. If it is not a line item, if it is zero, he does not know. Could they take money out of that fund, is that what he is asking?

Commissioner Burdge said no. Under the current, not what is proposed, but what is currently being done, would those monies in those three funds still be available to the City at any time?

Mr. Schindehette said as they were brought out.

Commissioner Burdge asked how quick could they be brought out?

Mr. Schindehette said they can technically be brought out any time during the budget year; but the money would not actually be transferred until the books were closed and the check was handed to the City at the end of that budget year.

Commissioner Burdge said the transfer usually happens in February.

Mr. Schindehette said whenever the final budget amendment is approved and the auditor can close the books on the U.A., the U.A. presents the City with a check.

Commissioner Burdge said so those monies would always be there, it just depends on whose account they are going to be in, whether they are going to be in the City's account or in the Utilities Authority's account being used as reserves in order to protect the U.A. in case of a possible catastrophe.

Mr. Schindehette said he agrees with what he is saying. Also, he does not think the intent of keeping monies in these reserves was to stabilize the transfer. That is how it has worked; but that was not the intent. He agrees with the Mayor on that. But if the City does leave monies in there, when those monies are drawn out, 40% would go to the City.

Commissioner Burdge said the U.A. has a basic purpose for those monies.

Mr. Schindehette said yes.

Commissioner Burdge said whether it's the U.A. money of 60% or the City's money of 40%, they have a basic purpose and it is designed and denoted on that chart - one is for Renewal & Replacement, another Emergency Fund in case of a catastrophe such as a hurricane or whatever, and a Rate Stabilization Fund. He can identify with that because he can easily understand where the monies could potentially be spent. But the Utilities Authority has voted to increase the projected transfer from what they anticipated and what the City has budgeted for - the $2.3 million - to a $3.6 million figure, which is some $1.3 million more than

what the City anticipated. To this point he does not know, and he thinks this Commission has not understood, that other than putting the money in the bank or something, there has been no planning as far as this Commission is concerned on what they are going to do with that additional $1.3 million. That somewhat scares him that they are going to have a big pile of money that is not going to be designated, it is not going to be determined or earmarked anywhere. He is really somewhat scared, knowing the past practices of the City and their spending habits and taxation habits, on where that money is going to end up.

Mayor Dannahower said that leaves him sort of flabbergasted here because at one of their most recent meetings Commissioner Burdge suggested they have a meeting to determine what they were going to do with it. He and at least one other Commissioner said their idea would be they would not do anything except hold it and have it there for what they needed it for. They have a budget process that is going to be starting very soon. They certainly are going to have to face a number of issues, including pay raises for employees. He does not favor spending any of it until they talk about it at budget time and he thinks it should be held until that time. Others may have different ideas. The point is, that is the City's money; and if Commissioner Burdge wants the U.A. to hold it, that is one opinion. But he thinks the City is as capable of holding its own money as the U.A. is.

Commissioner Drummond said he concurs and goes a step further. He is not interested in doing anything before the budget process either. What about the interest. It is one revenue source. He would not be opposed to getting it.

Mayor Dannahower said he would like to clarify that in fairness to everyone, on the interest question. He raised that point at a U.A. Board meeting. While they have held those reserve funds and have earned interest, the interest is going back over to the income stream and the City has been getting its 40% share of interest. If the U.A. were to hold it and keep it, the City would continue to ultimately get its share of the interest earned. So whether the City invests it or the U.A. invests it, the amount of money they get is basically going to be the same unless one is sharper than the other in terms of the way it is invested.

Commissioner Drummond said but the City would get it after the final budget amendment in the one check transfer after the close of the books in February.

Commissioner Burdge asked the new formula that is being presented in depleting the three reserve funds as far as the City's money is concerned, this will be basically this year and next year; and then the City should not anticipate any larger or will not, because there will be no money there, right?

Mr. Schindehette said that is correct.

Commissioner Burdge asked how will the transfer appear when the City is not receiving any additional dollars from those three funds? Does he understand? Gross revenues?

Mr. Schindehette said he thinks he does. For example, using 1996. At that point there will be no City monies in these funds. All the City's 40% monies will be out of that. In that particular year, they will have revenues and expenses; and if there are no monies removed from these funds whatsoever for the U.A.'s benefit, the net income would be revenues less expenses. If the U.A. decides to pull some emergency reserves out for storm damage, then it would not enter into this net income line. The U.A. Board could take monies out of these reserve funds, and the City money is gone, and it would not affect the bottom line. It would just bypass the revenue stream.

Commissioner Drummond said he might be misunderstanding, but that sounds a little misleading to him. Using Mr. Schindehette's example, with the proposal they are talking about tonight and they get to 1996, and have gross revenues less capital improvement charges, operation and maintenance expenses, and bond funds, then skip...

Mr. Schindehette said the U.A. Board does nothing to these reserve funds, just leaves them alone.

Commissioner Drummond said but what he is saying is, they skip on down to "the line", net income, which is what they are talking about tonight. It does not have a negative impact because of the fact they are not funding the reserves at that time to the City.

Mr. Schindehette said not in future years.

Commissioner Drummond said it sounded like Mr. Schindehette was saying if they don't fund the reserves, it is going to have a negative impact on the bottom line. By not funding it at that point, using their 1996 theory, the net income below the line at that point is larger than the current formula is. Is he wrong?

Mr. Schindehette said if the U.A. would have put money into these, that is correct; but last year they did not put money into those. They took it out. That is the only thing he was trying to point out. They could never do that any more. But what Commissioner Drummond is saying is correct.

Commissioner Burdge said let him get straight on this. For example, after net income if they go down and get to the reserve part, the U.A. will determine whether or not there is going to be any reserve monies placed in there.

Mr. Schindehette said from now on, the U.A. Board will come through this procedure, let the net income fall out as it may first, the City's 40%; and then the U.A. Board will decide if they want to take some monies out of their 60% share and do they want to continue to fund a reserve in any fashion. If they do it, is the U.A.'s 60% monies, and that will never again affect the transfer to the City.

Commissioner Burdge said the U.A. will determine whether or not they are going to place money in the reserves or not. The City won't care at that point.

Mr. Schindehette said right. If the U.A. wants to strip all its cash, that is another point. He has heard people say, "The U.A. has a $15 million reserve account over there". That $15 million they keep quoting is not in his opinion a reserve account. That is their operating cash account. It is just like having a checking account to run every day business and over there they might have a savings account for a rainy day. That $15 million is their operating checking account. To call that a reserve in his opinion is incorrect because their normal operating costs are about $5 million a month. So they have about a three month operating cash account, working capital. He personally does not think that is a very overly conservative operating cash account. And don't forget, $3.6 million transfer is going to come out of that cash account too. So the $15 million will already be down to $11 million. If the U.A. Board said they don't feel comfortable with these reserves and they want to put $5 million in those reserves out of their cash 60% monies and they are going to leave the U.A. with a $5 million operating account, all it means is they have a one month operating account. That is pushing it pretty slim. The U.A. Board is going to have to decide how much of their cash working capital account do they want to put back in.

Commissioner Drummond said he is a little confused now. They keep saying the 60% U.A. monies and how they decide to replenish those reserves. Isn't that still a budgetary item that ultimately has to be approved by this Commission?

Mr. Elam said it would be taking surplus cash and moving it into a restricted account. It is going from the unrestricted revenue fund and moving into, for example, a Renewal & Replacement Fund or the Emergency Reserve Fund which is restricted on how it can come back out.

Commissioner Drummond said it sounds to him like once they get to the net operating fund at the end of the budget process such as what they have here, that line item suggests when they get to Renewal & Replacement, Emergency Reserve, and Rate Stabilization funds, that they are going to put a line item that they are going to fund those on an annual basis. That is going to be a part of what they present to the Commission in the annual budget. Is he misunderstanding that?

Mr. Elam said the way he looks at it, the budget process is taking the current year's revenues and then the expenditures out of those revenues. Since they are not dealing with a revenue here, just cash they have and it is not revenue in a current year, if it is a budget to show the expenditure of the current year's revenues, then it would not show up in that budget.

Commissioner Drummond said if the U.A. Board decided tomorrow to take the remaining $11 million and place it all in the reserve accounts leaving nothing in the operating account that would not come to this Commission for approval.

Mr. Elam said he does not think it would, but he is not certain on that.

Mr. Schindehette said it would leave them where they could not pay their bills next week; but he does not think it comes to the Commission as a budget item.

Mr. Elam said he knows what he is asking. He really does not know how to answer either yes or no. He does not think it would.

Mr.Schindehette said every time they send a check to the vendor they don't bring it to the Commission. They are taking it out of the same cash working fund.

Commissioner Drummond said he understands that; but during the budget year, as they are planning for that line item for that vendor, it does come in the final budget for approval.

Mr. Schindehette said he thinks he understands what he is saying. Where that would show up would be in the year end financial report which shows the reserves increasing. Those three reserves would show an increase over previous years. That is where the money would have been put in there. It would show up.

Commissioner Drummond said as he interprets Section 140, the expenditures of the 60% were very restrictive as to where they could go.

Mr. Schindehette said he thought they were too and so did Mr. Bryan to begin with; but it's for any legal purposes.

Mayor Dannahower said one point that needs to be made is the R&R, Emergency Reserve, and Rate Stabilization funds, and the unrestricted cash, or whatever anyone wants to call that, basically they are all in a sense in the same category. They are all available to the U.A. in the event of an emergency. They could be used at any time for most any purpose. He is not sure how far down they could take the Emergency Reserve or the R&R

funds because of the bond covenants. But if there were a genuine emergency, all of those funds would be available. Correct?

Mr. Schindehette said the R&R and Emergency Reserve funds would only be available for capital expenditures.

Mayor Dannahower said in an emergency, they would certainly have some capital expenditures.

Mr. Elam said under that assumption, yes. If they had an emergency and had to replace power lines or whatever, those are capital expenditures; and they could strip them down to zero.

Mayor Dannahower said assuming this budget amendment passes and the transfers are made back into these funds by the Board, what will actually be available to the U.A. in the event of a genuine emergency? All the reserve funds plus the retained earnings?

Mr. Schindehette said hypothetically, if for some reason there is a major catastrophe such as a sewer spill in the river and there was a major fine by DER such as a $5 million fine, could R&R Funds and Emergency Reserve Funds be applied to pay that fine?

Mr. Elam said he does not think the R&R Funds could. The Emergency Reserve Fund is, if they define a catastrophe as an Act of God.

Mr. Schindehette said what he is pointing out is a very odd ball situation; but would a fine be considered capital expenditure?

Mayor Dannahower said forget fines. Say a hurricane blew down lots and lots of good stuff that had to be replaced. How much money is there to replace it?

Mr. Elam said they would have all the cash they have.

Mayor Dannahower asked how much is that?

Mr. Schindehette said he will show them what they have. (Mr. Schindehette handed to the Commissioners papers showing "FPUA Analysis of Reserve & Transfers from Operating Revenue".) There are three reserve accounts prior to this budget amendment, and the three funds total $7.636 million. Monies put into those funds from bond-related proceeds, those are monies that are not eligible to the 40%/60% split. So out of the $7.6 million, $4.581 is not eligible for 40% transfer.

Mayor Dannahower said he was not asking about the transfer. He was asking how much cash they are going to have in the funds and the retained earnings.

Mr. Schindehette said he is getting to that. On the chart he just handed out, it shows there is $3.055 million which is 40%/60% eligible. That is the monies they are taking out over the next two years. After this budget amendment, assuming it gets approved by the Commission, they will have the same $4.581 million from bond-related proceeds in those three funds. Notice the 40% monies are down to $1.6 million. That is what they will be taking out next year. That leaves them at a total of $7.1 million in those three funds which is totally available to the U.A. for emergencies plus whatever the operating cash account is.

Mayor Dannahower said they are estimating that to be something over $11 million after the transfer. So basically they have around $18 million that could be used in a really bad emergency. That would not leave the U.A. with much of anything to operate with and they would be in a mess and he understands all that. In a real emergency, they have some $18 million. Is that correct?

Mr. Schindehette said that is correct.

Commissioner Burdge said in relationship to the monies that are going to be available to the City, the reason why he has not necessarily a problem with this, but the problem he has is the planning this Commission should be doing. The Mayor and Commissioner Drummond have indicated they are willing to wait until the budget for next year, which is some nine months away before it will start. It starts in October. His particular feeling is, if they are going to have this some $1.3 million this year and anticipated $600,000 for next year, it is close to $2 million that this City is going to have in order to do some planning on. His point on all of this is not necessarily that the transfer is not correct or the method of transfer is not correct, but what is the City going to do with the money after they get it? That is the problem he has. He has tried to suggest to this Commission that this Commission start planning now on what to do with the money and not wait until June or July in the budget process, when not only do they have the budget process but they also have the heated element of taxation and the heated element of employee unions looking down the back of their necks. This time in a more calmer situation is the available time for this Commission to take its time with the Staff's help, with the Staff's input, with the Staff's recommendations on what to do with this unexpected influx of money they have had. That is the point he wants to make in all of this process. The process is working. The process should continue to work when it gets to the Commission level, that they need to take a responsible look on what to do with the money and not just leave it in the bank, but look at how they are going to plan for the use of the money. Naturally some of it will be left in the bank for reserves because the City's reserves have also been depleted to a critical point. That is the only point he is making on all of this, is the Commission has a responsibility now to start looking at the $2 million they are going to be receiving from the Utilities Authority.

Commissioner Drummond said he is confused. He wishes Commissioner Burdge would stay on one side or the other. Commissioner Burdge has said he is frightened because he is worried they are going to start planning to spend it. So okay, fine, they won't spend it and they will wait until they get in the budget process. Now Commissioner Burdge is saying he does not want to wait until they get into the budget process but wants to plan now to spend it. He wants to know which one side Commissioner Burdge is going to stay on. He believes they are going to start at Staff level in February for preliminary discussions as to what the 1994-95 budget is going to look like and Staff will probably come to the Commission in some kind of workshop probably as early as May. He does not know how they can get to it any faster unless they are talking about a workshop next week. The City is currently fully funded as to what they are going to do in the 1993-94 budget year. He is comfortable with saying the money will be there for the budget process for 1994-95, unless he is missing something.

Mayor Dannahower said matter before them is not how or when or if they spend the money. The matter before the Commission is the Utilities Authority Resolution U.A. 94-2. And the basic difference they have in discussing it tonight than when they did at their special meeting on January 3rd is the transfer has been increased and what has been proposed in terms of the reserve accounts. They need to get back to that and get a resolution. Perhaps a way to start is to see if they can get a motion.

Commissioner Burdge said he does not have a problem with what Commissioner Drummond said, because his own particular position as he pointed out is he believes it is the Commission's responsibility to start the planning now. If Commissioner Drummond would like to set a workshop, he would gladly second a motion for a workshop. As he pointed out, he wants to start this process and start it now at Commission level. If Commissioner

Drummond thinks he is waffling or teeter-tottering as suggestions have been made before, no he is not. He wants to make a sound business decision on where this money is going to be spent - not in the heat of arguments later that might happen, but in the calmness of today. That is his point. Let them start the planning process. If Commissioner Drummond is aware of when the budget is going to be presented as he suggested it is going to be coming as soon as May, this Commissioner is unaware of that and not been made privy to that information. He does know at times the City Manager will start his budget process in February; but he is totally unaware of information that Commissioner Drummond has received that they are going to be looking at the budget as early as May this year. He has noticed in past practices when they as Commissioners have received it in July.

Mayor Dannahower said they are way off the subject. It does not seem it is real calm tonight; if anything, it seems it is not calm. The issue before them is Resolution No. U.A. 94-2. They are going to get to it. Several have stated their position. Some of them have made it clear they want some planning and budgeting. That is the way it is going to be as far as he is concerned; but whether it starts next week or two months from now is really immaterial to the matter in front of them right now.

Motion was made by Commissioner Bryan, seconded by Commissioner Sessions, to accept Resolution No. U.A. 94-2, Amending the budget of the F.P.U.A. for Fiscal Year 1992-93.

Those voting in favor of the motion were: Commissioners Bryan, Burdge, Drummond, Sessions, and Dannahower. Those opposed: None.

Mr. Schindehette said now that has been finalized, Mr. Elam - the external auditor - will finalize the books and they will prepare the Annual Financial Statement as they have in the past years and will come back to this Commission asking them to accept the 1992-93 Annual Report; and assuming it will get approved, they will have a check for the City when that is done.

Mr. Schindehette said before they get into the next item, he needs to address one more subject. This needs to be cleared up right now. A question has been asked by Mr. Bergalis and Mr. Powell, what methodology has the U.A. been using to determine the reserve funds? It is very simple. He would like to be sure this Commission understands what the U.A. Board has been doing for the past eight or nine years. The main objective has been to meet or exceed the budgeted transfer to the City, and with what was left over to try to increase their reserve funds because they have been inadequately low through the years. (Mr. Schindehette displayed a chart showing transfers to the City over the past ten years.) He feels they have fulfilled that objective. He arrived in 1985. For two years prior to that, the U.A. had not met its budgeted projection to the City. One year they were 12% below that projection and the next year they were almost 8% below that projection. That is when they made the decision they would make that their objective. The U.A. Board has known that and every year they try to meet or exceed what they have projected to them in the budget. When it was a good year, the rest of it was put into the funds to start building those reserve funds they talked about. Since 1985-86, they have been successful in meeting that objective. Every year it has been a plus. He just wants this Commission to know that is the methodology that was used.

Mayor Dannahower asked what was the gross receipts in 1983-84 compared to 1992-93? What has happened in terms of actual gross receipts, not transfer?

Mr. Schindehette said he does not have that. Does Mr. Elam have those available?

MINUTES OF A SPECIAL MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE CITY HALL, 1ST FLOOR CONFERENCE ROOM, 100 NORTH U.S. #1, FORT PIERCE, FLORIDA, AT 4:00 P.M. ON WEDNESDAY, MAY 25, 1994.

Mayor Dannahower called the meeting to order.

The Pledge of Allegiance was recited.

Upon Roll Call, those present were: Mayor William Dannahower; Commissioners Mary Ann Bryan and Reginald Sessions; City Manager James Powell; City Attorney John Brennan; and City Clerk Cassandra Steele. Those absent: Commissioners Robert Burdge and Darrell Drummond. (Commissioners Burdge and Drummond arrived later during the meeting.)

Mayor Dannahower proclaimed June 6, 1994, as "The 50th Anniversary of D-Day". Capt. Carroll Noone was present to receive the proclamation.

Mayor Dannahower said they are celebrating nationwide the 50th Anniversary of the invasion of Normandy. Because this City played an important role in terms of its military base here at that time, they have been designated as a Commemorative City for these celebrations. There will be Memorial Day services on Monday morning. They do have a flag to display and are part of that official celebration.

The next item considered was the Consent Agenda. Mayor Dannahower asked does anyone wish to remove any item? (No items were removed.)

Motion was made by Commissioner Bryan, seconded by Commissioner Sessions, and unanimously carried, that the following items on the Consent Agenda be approved:

a. Authorize Staff to proceed with proposed **Cafeteria Plan for Health Care Benefits**.

b. Approve **Management Compensation Plan Update** for management and mid-management personnel as prepared and recommended by Cody & Associates, Inc., effective April 1, 1994.

c. Approve increase in the expenditure limit of $20,000 on rehabilitation loans from the **CDBG Program** and the **SHIP Program** processed by Staff to $25,000.

City Clerk Steele said an additional item was added to the Agenda late this afternoon concerning Tickle Tummy Bridge - the **Bridge on 2nd Street over Moore's Creek.**

City Manager Powell said before them today is an application to the State of Florida to apply for a historical grant at the request of Main Street. Basically the time is going to elapse before the next regular Commission meeting and they only have a week to get the grant in. He took the liberty of going ahead and having the City Engineer fill out the necessary grant papers. For review, they had originally closed the bridge on 2nd Street due to its poor condition. The City Commission had at one time approved the employment of a consultant who redesigned the bridge to a flat structure with the hump to be taken out for safety reasons. The DOT indicated that the bridge in their opinion could still be used with some repairs. The price to replace the bridge was $275,000. There is now a grant available in the amount of $143,000, which is a historical grant that would rehabilitate the bridge in its present state. To apply for that grant requires a 10% match which would be close to $15,000. Mr. Ballard today met with the Fort Pierce Redevelopment Agency and they agreed to contribute 5% of the match which would be about $7,500. That would leave the City being responsible for the

other 5% or $7,500. So basically what they have today is a request to authorize Staff in conjunction with Main Street to apply for the grant, and authorize up to $7,500 as part of the match, and to also to accept the design of the bridge as being acceptable in its present state, still be like it is and be rehabilitated.

Ms. Doris Tillman, Director of Main Street of Fort Pierce, Inc. said they would like it restored historically because out of 12,000 bridges in the State of Florida, only 208 have historic value and one of those happens to be Tickle Tummy Bridge. So it is a very unusual bridge. They would like to preserve its historic value to the community.

Mayor Dannahower asked is it the only one in St. Lucie County?

Ms. Tillman said yes.

Motion was made by Commissioner Bryan, seconded by Commissioner Sessions, to authorize Staff in conjunction with Main Street to apply for the grant for reconstruction of the 2nd Street Bridge over Moore's Creek, and authorize up to $7,500 as part of the match, and to also to accept the design of the bridge as being acceptable in its present state.

Those voting in favor of the motion were: Commissioners Bryan, Sessions, and Dannahower. Those opposed: None.

The next item on the Agenda was Special Joint Meeting between the City Commission and the Utilities Authority Board concerning the formula used to compute the **transfers from the U.A. to the City's General Fund**, and overhead allocation cost plan to provide **billing services for the City's Solid Waste Department**.

Mr. Bruce Center, Chairman of the Fort Pierce Utilities Authority Board, called the meeting of the Board to order.

Upon Roll Call, those present were: Chairman, Bruce Center; Vice Chairman, Robert I. Carman; Secretary, Edward G. Enns; Deputy Secretary, James A. McNeill; and Mayor William R. Dannahower. Those absent: None.

(Commissioner Burdge arrived at the meeting at 4:10 p.m.)

City Manager Powell said in order to set the stage and hopefully clear up his position and also in some way give them an opportunity maybe to shorten the meeting, he will just open with a few remarks and then refer to Staff and to the consultant. He first would just like to clarify for the members of the Commission and the U.A. Board the reason these matters are before them today. He would like to clear up some perception that may be out there among the employees, especially the U.A. employees that have been told or lead to believe or been left to speculate about what may or may not happen to them should certain things take place by actions of the City Commission. He just wanted to state what his position is and why.

City Manager Powell said the City of Fort Pierce has owned the utilities for quite some time. It is his understanding that prior to 1972, the City operated the facility and at that time they had a 60/40 formula. In 1972, when the Utilities Authority was created, they continued to utilize that formula. He believes that is where a problem arose based on what he has found researching some of the history. The Mayor at that time when the Utilities Authority was created was placed on the Board as he understands it to be a representative both of the U.A. and the City. The City also elected to employee the auditor, with the auditor working for the U.A. also, to allow the City to be better informed about the activities of the U.A. Apparently that was not sufficient. In 1975, the City Commission through a

resolution put the City Manager on the Utilities Authority Board as a non-voting member, to help coordinate the activities of the U.A. and the City. Apparently that did not really solve the problem that was being experienced which had to do with the budgetary aspect of running not only the Utilities Authority but the City's general government. In 1977, the City Commission then directed the City Manager and City Staff to review the transfer formula to see if there was a better way to do that. The City Commission in 1978 voted to continue the present formula for one more year. He can find nothing in the Minutes that refers to where any further action was ever taken. City Attorney Brennan he believes is the only City employee that is presently with the City that was then with the City as well.

(Commissioner Drummond arrived at the meeting at 4:15 p.m.)

City Manager Powell said in recent months they have incurred some difficulties in the transfer, which has not totally been handled the way that it was set out in the Charter. The Charter specifies that the transfer should be done by ordinance by the Commission. Based on that, he asked Mr. Bergalis (the City's Finance Director) to do a study. Mr. Bergalis basically put together some information which had been previously been discussed by this Commission; and they made recommendations. In those recommendations that had previously been made, he suggested to the Commission that one of the things that they could consider was joining the City's Finance Department with the Utilities Authority's Finance Department. He does not mind telling them the intent of it was that if they did not change the formula and they were going to continue to operate the way it is, that by having both finance departments under one head would then give the City an opportunity to know more about what was going on with the financing and the financial structure. He is not pushing for that and he is not lobbying for it. He simply brought that up as an option. Actually it is not really for the Commission to consider, it is for the U.A. Board to consider because he thinks it plainly states in there that would be something that the U. A. Board could or could not do. It would in fact possibly generate a small savings. On the other hand they could go way beyond that and they could consider combining the two personnel departments, and that may very well be a benefit or a savings. But it may not be worth doing and he is not suggesting they do it, it would take more study. If they did change the formula and they went to a percentage of gross revenues, then that would pretty much eliminate all these other issues as far as he is concerned; and the U.A. could then operate more freely without interference from the City, if they felt that the City was interfering. Also, the City would be pretty much assured of receiving a fair percentage.

City Manager Powell said the Commissioners and the Board have been furnished with information from himself, Staff, Mr. Schindehette, Mr. Boudreaux. Also, they have information from SVBK Consulting Group. He does not find a lot of difference in what Staff thinks should happen, what Mr. Schindehette said, and what the consultant said. He simply asked for them to review it to give an unbiased opinion because just like the City's Solid Waste Department, they have to have funds to operate in order to provide a service to the community and they have to be able to do the things that they would need to do to provide that service. He does not see any difference in the Utilities Authority. They certainly have to have their own funds and their own operation. One thing that he is certain of, is that if the City took any action that would hamper in any way the operation of the Fort Pierce Utilities Authority, they would be hurting themselves by doing so. So it is not his intent nor is it the intent of City Staff to in any way hamper or interfere with the operation of the Fort Pierce Utilities Authority because it is an arm of the City; and ultimately the City Commission is responsible not only for the City as elected officials but they are responsible for the Utilities Authority as well. So what he is looking for and why

he brought this matter up in the first place was to find an equitable or better way if possible to arrive at a system that would benefit both the Utilities Authority and the City. He thinks there is such a solution out there. He is not sure that he knows exactly what it is, but it appears to be something quite different from what they have. In fact, if what they are doing is so good, he does not know why they have not been able to find others that are doing it. With that, he just wanted to make it clear that he is not against the U.A., he is for the City and he is for the U.A. He sits on both boards and he has an interest in seeing that both are managed as well as they can be.

City Manager Powell said he noticed in a letter from Mr. Boudreaux, it said the meeting today would focus more on the overhead allocation cost than the formula. They are both important, the formula of course being the most important. But because of the nature of their business, they are required by State Law to have a budget in place by August 15th. And if they are going to continue to pay the Utilities Authority what they are paying them or if they are going to go to what the U.A. is requesting the City pay them, they need to get that issue resolved fairly quickly because that number has to go into the budget. If they pursue changing the formula, it would be his recommendation - after meeting with both the City Attorney and the U.A. Attorney - that the matter be submitted to the public in a referendum. He thinks that would certainly be fair. It would give the public an awareness of what is taking place and why it is taking place during the process of going through the referendum. So his recommendation would be first of all they consider changing the formula, after they have heard all sides, and do what they believe is in the best interest of both the U.A. and the City. But that they first proceed with trying to resolve the issue with the Solid Waste billing. If they can get that resolved today, then that would help a lot. If not, then they will have to come back and do that at a later date as well.

The next item on the Agenda was U.A. Overhead Cost Allocation Plan which regulates the charge to the City's Solid Waste Department for garbage billing.

City Manager Powell said he will certainly tell them what his position is and that just may help it get it off ground zero. They have looked at what they have been paying the Utilities Authority in the past, which he believes was around $26,000, and they have checked with some other cities. They have compared with Vero and understand very clearly that there are a lot of differences and it is not a totally fair comparison. But in looking at what it would cost the Finance Department to do the billing should the City do the building themselves was somewhere in the neighborhood of $69,000 plus some start-up costs. They are certainly not interested in doing that billing simply because of the fact that the Utilities Authority can collect that money a lot easier that the City can. Staff has asked the consultant to review what was a fair cost. The consultant's recommendation is somewhere in the area of $60,000. So his recommendation would be to the Commission that they not consider paying any more than between $60,000 and $65,000. They may elect not to even want to pay that. Or they might want to pay the $208,000 which the U.A. suggested. Their consultant is available right now to comment on how they arrived at their assumption. And then if they want to hear from R. W. Beck, fine. But that is his position.

Mayor Dannahower said let them hear from the City's consultant first, then they hear from the U.A.'s.

Mr. George Bergalis, Director of Finance, said they have with them today from SVBK Consulting Group, Sheree L. Brown and Mr. Rick McClung, who have done extensive analyses on both issues.

Ms. Sheree L. Brown, Managing Principal of SVBK Consulting Group, said SVBK was retained by the City to review the analyses performed by or for the City related to the transfer policy and to the Utilities Authority's proposed allocation of customer service cost for the billing services for the Solid Waste Department. They have not performed any analyses that would actually tell them how much the cost would ultimately be or what percentage any transfer would be or they have not even analyzed to the extent of the different types of transfer policy. Rather they have set forth the types of policies that are available and they have given the pros and cons about the policies. In addition to that, they have reviewed the overhead allocation study and have raised concerns over the methods used in that study, and set forth recommendations for how to review that study and maybe develop a different allocation which would be more reasonable for billing Solid Waste collection and billing services. In the overhead allocation study that was provided by the U.A., the allocation of customer service cost to the billing and collection function for Solid Waste was based on the number of customers in each utility service that are being billed by the U.A. In doing the customer service allocation, based on customers alone, it ignores that there are several different services being provided by that department for the utility; and some of those labor and non-labor costs that are being allocated may or may not be related to the billing and collection function. If they look at some of the job descriptions that were provided for labor that were left in the allocation process, some of those job descriptions included planning and field visits and billing verification. So in order to do a true allocation process, they would have to go in and actually interview each of these people and find out what percentage of their time is spent on the billing and collection function versus the other functions. Now that may be too expensive and not worth the time that they are going to have to spend in order to do that. So they have to also look at what is the complexity of the billing for Solid Waste versus the other functions that are being billed. It is very difficult to say that a single woman living in an apartment complex who is only paying a Solid Waste bill would have the same complexity to develop that bill as a large industrial customer who is paying $100,000 a month for an electric bill. So there are different levels of complexity. In fact, if they look at an electric bill, they have numerous steps - they may have the demand charge or an energy charge. There is a different level of complexity in entering the data. In addition, the allocation on customers only ignores the fact of the incremental costs that are really being incurred by the U.A. If the U.A. were not to provide the billing and collection function for the City, how much would their costs actually go down; or vice-versa, how much would their costs rise? Likewise, what would the City pay if they had to begin performing that function themselves. So if the City were to begin performing that function, as they have analyzed they would believe it would take $60,000 to $65,000. If that is the case, both the U.A. and the City should benefit from consolidation of the billing and collection. This problem goes even further if they look at allocation of any of the customer service costs on nothing but customers alone. For example, they have a lot of meter readers; and those meter readers are being allocated on the number of customers. Yet they are not reading a sewer meter, they are reading a water meter. So if they look at a meter technician, his costs are being allocated based on the number of customers. And they have listed the number of sewer and the number of water customers. And they are reading from one meter, the water meter, and they are billing both of those services on that water meter; yet they are being allocated 46% of the overall meter reading costs that are included in that customer's service department. So there is some problem with weighting. Many times in utility allocation studies what they do is a weighted customers factor. Weighted customer factors generally recognizes demand and customers. Because they are looking at several different utility functions, they are not

necessarily going to have demands. So it is usually used where they would just allocate or weight these by revenue. In the study (on Page 14), they have shown the revenue allocations and the weighted customer allocations and the customer allocation alone, which is being used in the overhead allocation study. If they look at the sales, the electric sales are $41,964,000 whereas solid waste sales are only $3,865,000. This eleven times the volume. When they look at that, they will see that based on revenues they would have 6.2% of the overall revenues, yet they are being allocated 20% of the overall billing and collection function. Using the allocation study that was provided by the U.A., starting with the total personnel services and removing those services that were definitely not applicable to the customer service billing and collection function - the meter technician, the project manager, the executive secretary, and director of customer operations - then from that start with the total contractual costs - this is the total budget number less the personnel services - total contractual services $245,505 less advertising, vehicle maintenance, car allowances, and travel & training have been removed. These are the amounts that have then been allocated to the City. Yet when they look at the total budget, there are some other questionable items as far allocation to the City collection function. For example there are maintenance contracts, temporary labor, professional fees, memberships in professional & civic organizations, and other vehicle supplies and operating supplies. This is not to say that those costs do not to relate to billing and collection, but it has not been shown that they relate to billing and collection. In addition, they have costs that are related to the employees; and yet they removed a big portion of the employees that were definitely not applicable to the building and collection function and a pro rata share of the other expenses were not removed. SVBK has duplicated this just so that they could follow through. The U.A. had total personnel services of $878,000, and then the non-billing and collection function related to Solid Waste were removed, resulting in the portion that is allocated to the City. In the contractual expenses, the advertising, vehicle maintenance, car allowance, and so forth were removed. They did see a small error in calculation so they have added that back in. Then they added the indirect labor overhead. They came up with the total of $1,028,302, which the amount that has been allocated based on those customers. What they have recommended is that this study be reviewed to look at not only the costs that are being included in the allocation but to look at a weighted customer factor, and in addition to look at the incremental costs of providing those services. There should be some savings to both the U.A. and the City by consolidation of the billing function. And so that is what they have recommended, although at this time they have not performed that study.

Mr. Elie J. Boudreaux, Acting Director of Fort Pierce Utilities Authority, said Mr. Douglas Handley is the consultant from R. W. Beck & Associates who did the initial allocation study for the Utilities Authority.

Mr. Douglas Handley, R. W. Beck & Associates, said first of all he needs to introduce the purpose of the cost allocation study and the goals in developing the cost allocation. The primary goals were internal to the Utilities Authority and how they allocate their overhead costs among the four utilities. While they do perform some functions for the City in the Solid Waste collection fees, the primary goal was to allocate the U.A.'s internal overhead costs among their four primary utility services. The goal of the study was to do it in a simple manner and set up a methodology that was easy to maintain and conduct on a regular basis. The results of full allocation of overhead costs using this simplified methodology of allocating overhead cost produced a much larger figure for cost sharing to be done by the City for Solid Waste than what the City was currently transferring to the Utilities Authority, and that is what lead to

this discussion. He should say that in the meetings that he has been in on, the dollar figure calculated in the overhead allocation plan was never proposed as a charge to the City. It was generated as an allocation of costs. And in fact after the study came out, with that knowledge the Utilities Authority still proposed no change in the amount of the transfer from the City for that service. If he recalls correctly, Mr. Schindehette's comment was "This is just a figure of costs that they have calculated and everything is negotiable and it is up to the City to determine how much they want to pay, the City owns the U.A." or something to that effect. But nonetheless, there is a discussion of the allocation methodology and Ms. Brown has done a thorough analyses he is sure and has said that using some different allocators or an incremental cost approach would result in a lower amount than what was calculated due to basically a simplified full cost allocation. And just to clarify, he is saying if they serve five utilities, they divide total costs five ways. The incremental cost analysis is saying that if they serve four utilities and it costs a certain amount to serve those four, if they can serve one more, how much would it add to those costs. That's an incremental cost analysis. It has some applicability to this, certainly as a number to be put out on the table for negotiation purposes. He thinks it really is a matter of they are haggling over different allocation methodologies to divide a very small number, and they really are needing to get to the big issue of how much total dollars are going to flow between the City and the U.A. That can be solved by negotiation among the two entities. The details of these two studies does not merit the kind discussion that the policymakers need to address.

Mayor Dannahower asked if in fact the U.A. did not do the Solid Waste billing and collecting, what would the savings be to the U.A.?

Mr. Handley said he does not have that calculation readily available. They did this overhead cost allocation not as a means of determining an invoice amount that the U.A. would invoice the City for services, but this was an internal allocation of overhead costs for the U.A.'s information. They certainly did not do any time and motion studies and allocate the individual persons time to one bill or another. It was a very simplified easily manageable allocation of overhead costs for information purposes.

Mayor Dannahower asked will there be much effect on the cost to the U.A. for the whole process if and when the U.A. goes to a different method of postage?

Mr. Handley said he couldn't tell.

City Manager Powell said in order to try to resolve this issue, City Staff met with U.A. Staff. There was some discussion and questions about the method used to arrive at the allocations costs. Basically at that meeting the only thing they really resolved was that that is what the U.A. believed the cost was based on five different users of the system. What his concern had been, using that formula that they were utilizing, that had the City elected to go to the U.A. and do their billing when they went to recycling, whether that then would generate a much larger cost to the City's Solid Waste customers than if they negotiated with the County, which they ultimately did. Because he thinks the way they structured the bid was for Kimmons to present a cost not only for the pickup of the recyclables but also for the collection. As he had explained to Mr. Schindehette - who is no longer here - and his Staff, was that he really did not have a problem if the U.A. said it was worth half a million dollars to do it as long as they didn't charge the City a half a million dollars. So what the City was trying to resolve was what the actual cost was, and then the rest of it would be political - whatever the Commission would ask the Board to charge. They felt

the fairest way to approach that would be to try to come as close as they could to the actual costs. If by not doing the City's billing the U.A. was going to save the $208,000, then that would be worth the City doing it in-house for around $69,000. Again, trying to associate what the actual cost is should not be compared with Mr. Handley's allocation, because he does not agree with it nor does the City's consultant agree with it. As Mr. Handley stated, it was done for whatever purpose the U.A. wanted it for. So he honestly believes that the best thing to do is look into the area of what the actual cost is and try to determine that, and then this Commission decide what it wants to do.

Mr. Enns asked in this cost allocation, was there any consideration given to the fact that there are some non-resident ratepayers of the U.A.?

Mr. Handley said no, it is based on customers.

Mr. Enns asked so that would include ratepayers who actually weren't City residents that don't get the benefit of City trash collection?

Mr. Handley said it takes into account the number of City garbage customers relative to electric and water customers. Whether a resident or not, that wouldn't impact on whether or not they were customers. They didn't distinguish or need to distinguish whether an electric customer was inside or outside the City. If dealing with customer related costs, it doesn't really matter that much whether they are inside or out.

Chairman Center said he thinks they ought to resolve this very simply. The City Manager has recommended a figure of $62,000. He would be very happy with that. If it makes everybody happy, then do it.

Mr. Carman said he agrees.

Commissioner Burdge said first of all he needs to understand exactly the process that they are talking about. The Solid Waste Department notifies the U.A. that a certain address has garbage collection, and the U.A. starts placing on the bill a garbage collection fee. Is that correct?

Mr. Walter White, U.A. Customer Service Manager, said that is basically correct.

Commissioner Burdge said and garbage collection will be collected from that point forward at the rate that was sent over to the U.A. for that particular address. Is that correct?

Mr. White said that is also basically correct.

Commissioner Burdge said so virtually what there is, is there is a one time place the address on the file. And from that point on, unless the U.A. is notified of a change in rate for that particular address, there is virtually no other dealings with the account as far as the account itself, other than collecting the money. Is that correct?

Mr. White said that is incorrect.

Commissioner Burdge asked why?

Mr. White said the U.A. receives many complaints about garbage collection not being on time or it wasn't picked up or they don't have a trash can or wanting to know why they have two trash cans, things of that nature that take a lot of the Customer Service Representative's time.

Commissioner Burdge asked why don't they transfer those calls to the Solid Waste Department of the City?

Mr. White said he would be very happy to; but they have been lead to believe that it would be in the best interest of both parties if they tried to handle it at their location rather than having one customer going to various locations to get the problem solved. If they call one area and are not being transferred all over the place, it appears to be better customer service.

Commissioner Burdge said he would think that the City ought to take care of its own problems, and not allow the U.A. to cover for the City as far as the garbage problems are concerned. Can Mr. White document how many calls that are made concerning complaints about Solid Waste?

Mr. White said he does not have those figures with him; but yes, he can.

Commissioner Burdge said if he could provide those for the last three months, he would appreciate it.

Mayor Dannahower asked does the billing indicate that if there are any problems with the solid waste disposal someone should call one phone number versus another?

Mr. White said yes. On the back of the utility bill is the phone number for Solid Waste.

Commissioner Burdge asked can Mr. White tell him other things the U.A. does for the City?

Mr. White said involving trash pick-up, that's a one time billing. It is not done every month. They also do adjustments because they receive many items that have been billed which have been billed wrong, so they have to adjust it; and then many times they are told it was billed right, so they have to readjust that adjustment.

Commissioner Burdge asked who sends them that information?

Mr. White said he thinks it comes from Connie Garrity (Finance Department) or Petra Opalewski (Solid Waste Department), but he can't verify that.

Commissioner Burdge said so the City sends over whatever adjustments need to be made on the billing. And the U.A. simply makes those adjustments on the billing.

Mr. White said that's correct.

Commissioner Burdge said that's just a computer entry.

Mr. White said it's a little more complicated than just a computer entry. Paperwork comes over, someone makes out a form, then someone has to make sure that form is correct, and then it goes into the computer system.

Commissioner Burdge asked if the Director of Solid Waste in his office were to have a terminal that would only access the garbage billing in the U.A.'s computer, then the City could take care of that. Is that true?

Mr. White said that is absolutely correct.

Commissioner Burdge asked could such arrangements be made?

Mr. White said he is not qualified to answer that.

Commissioner Burdge said Mr. White can check on that and get back with him on that too.

Mr. White said that would be part of Data Processing. He wouldn't have any idea. He can ask.

Commissioner Burdge said primarily he is trying to come to some conclusion as to exactly what the U.A. does for the City as compared to why can't the City do it themselves. If the City can do it, then they should be doing it; and the U.A. should basically be sending the bill out, collecting the money, and sending the City a check for whatever it is. If there is more than that, then he needs to know the relationship. How did the U.A. get into covering for the City if it is in the utilities business? The Solid Waste Department should be taking care of their own complaints, not going through the U.A. He understands it may be easier to have it at one place; but yet, the U.A. people may not know the complexity that the Solid Waste Department people do know, and may not be able to answer the questions being asked in the most direct way. The customer should get that from the Solid Waste Department. Those are things he needs to get a better grip on as far as being able to vote on what is, as far as he is concerned, a massive increase of over 100% of what they are currently being charged.

Mayor Dannahower said he agrees that for the complaints, there should be some better system for the City to handle that so it is not a burden to the U.A. One question he has relates to the deposit. When a new account is opened, the U.A. receives a security deposit. He assumes there is no deposit for solid waste. Is that correct?

Mr. Boudreaux said he believes that is correct.

Mayor Dannahower said if in fact the person goes beyond the billing time and does not pay their utility bill, the deposit all goes to the U.A. This is something the City ought to look at, in terms of the deposit required at the U.A. because if two or three months goes by, that means the City has missed out on a couple of months of collection fees for solid waste.

Ms. Gloria Johnson, Chief Accountant, said the City does have a deposit for solid waste services at the Utilities Authority.

Mr. White said he believes it is $21.90 for commercial and $13.90 for residential.

Mayor Dannahower asked at what point does the U.A. say they are going to shut the utilities off if someone hasn't paid their bill?

Mr. White said when the second bill comes out.

Mayor Dannahower asked is that designed in most instances to recover what would be a two month bill?

Mr. White said yes.

Mayor Dannahower said that's something they might want to look at sometime in the future, to see if in fact they are losing a number of monthly receipts on that basis.

Mr. Boudreaux said he just wanted to make one quick comment about the telephone number for the Solid Waste Department. They are working right now to put the telephone number for the Solid Waste Department on the front side of the bill to alert people to the fact that if they have a problem with the garbage collection, that's the number to call rather than the U.A. That will be done very soon.

Mr. Bergalis said he wants to respond partially to Commissioner Burdge's question. He does not know how many calls the Utilities Authority gets relative to complaints about garbage collection that are handled internally versus being transferred to either the Finance Department or the Solid Waste Department. But as far as account changes of the approximately 14,000 accounts that are billed monthly for Solid Waste, they did an analysis over the last couple of years and annually less than 1% of all those accounts on an annual basis ever have any changes made to them. That is one of the things that alerted Staff to the fact that perhaps there may be a different way of allocating these costs. Whether it was done merely for internal purposes and the U.A. never meant to charge the Solid Waste Department, or whether it was going to turn into a charge, these accounts certainly didn't seem to show any activity to any degree that warranted that large increase.

Motion was made by Mr. Enns, seconded by Mr. Carman, and unanimously carried, that the Fort Pierce Utilities Authority request the City to pay for Solid Waste billing at a figure not to exceed $62,000 a year.

Mayor Dannahower said they have heard the request by the U.A. and the recommendation of the City Manager. Does the City Commission agree to the proposed $62,000 charge?

Motion was made by Commissioner Sessions, seconded by Commissioner Bryan, that they accept the proposal to pay $62,000 a year to the U.A. for Solid Waste billing and collection.

Commissioner Burdge said there are a number of items that he does not think have been answered as far as the real costs that the U.A. expends on the garbage collection billing. He believes while it may cost the City an estimated $70,000 for start-up, that's exactly what it is, an estimate. They really don't know what those costs are. They have heard figures of $172,000 to $26,000 to $69,000. There has been a reference to Vero Beach at $41,000. It appears to be great confusion on this particular matter of how much it really costs to send out a bill. The City's Finance Director has indicated that there is less than 1% variation in that bill from year to year. To him, the $62,000 is immensely too much, and he will not be able to support it.

Commissioner Drummond said he thinks a tremendous amount of costs have been spent just on getting to this point. He is ready to move on.

Those voting in favor of the motion were: Commissioners Bryan, Drummond, Sessions, and Dannahower. Those opposed: Commissioner Burdge.

The next item on the Agenda was Consider change in the Computation Formula used to determine Transfer Revenue from the U.A. to the General Fund.

City Manager Powell said at the beginning of the meeting, he made his comments on this subject. He would simply say that it seems that all the information Staff reviewed indicates they would want to go to a percentage of gross revenues. There probably would need to be other issues resolved, such as the fuel adjustment and what part that plays in there could be very important. One thing he neglected to mention earlier that needs to be resolved is, if they change the formula and they are going to go to referendum, that there should be some discussion between the City Attorney, the U.A. Attorney, and Bond Counsel to arrive at proper language that would satisfy the needs to the U.A. and the City.

Mayor Dannahower said all of them have had the opportunity to review the materials which compares other utilities. It does seem that the percentage of gross is the most practical and the

most common type of transfer. He notices there are variations and the variations seems to be up as high as 9% or 10%. Mr. Schindehette had recommended a 6% transfer figure. Mr. Enns made some remarks recently that he did not understand how they could plan under the present system, and it is very difficult to plan. He does think they need to go to the percentage of gross in some fashion. He thinks they want to be very sure that what they are doing is in the best interest of all the citizens. He thinks they need to start talking about a 6% transfer figure. It seems to be the most frequent figure used.

Commissioner Burdge asked if language was to be drawn that actually gave the Commission some latitude on what percentage they would be requesting from the Utilities Authority, is that possible? He is thinking of language to say no less than a certain amount percentage-wise and no more than a certain amount percentage-wise.

City Attorney Brennan said he thinks it can be drawn up that way. The Staff has recommended a certain percentage be picked out and it would be automatic and everybody would know what it would be. The City Manager has mentioned the fact that there might be some reference to fuel costs that would need to be addressed in reference to the percentage.

Commissioner Burdge said what he is trying to say is that to give the Commission some latitude on exactly what they are anticipating their potential revenue needs may be, but also allowing the U.A. a knowledge of that and whether the Commission a year in advance would be transferring that number over to the U.A. so that the U.A. could develop their budget from that point on. Instead of fixing it at one number, being able to have some latitude on exactly what those numbers may be, but keeping it within a particular range, say 4% to 8%. At the current time the request may be for 6%, but at some other time the City may not need 6% and they could lower it to 4%; or there may be the potential where the City may have certain needs, and request 7% or 8%. The U.A. would understand that way out in front, a year in advance, so they could develop their budget. That's something he is looking at, sort of a variable as far as the percentage.

City Attorney Brennan said he thinks it can be done. But that would still leave some doubt as to what each year it is going to be and that's part of what they are trying to eliminate in reference to just trying to come up with a percentage of gross, whatever that would be, so that they will know at least that amount will be forthcoming.

City Manager Powell said it might at this time be a little helpful if the consultant would explain a little bit more about the fuel allocation aspect of it.

Ms. Brown said first, when looking at a transfer policy, SVBK Consulting Group has not done any analysis to say that 6% is the magic number. Many municipal utilities throughout the country fall anywhere between 5% and 15%. The important thing is to look at this in a total concept of what is the U.A.'s requirements and what is it going to do to their ability to maintain competitive rates. It may be that they need to determine a level of transfer which they feel is appropriate, and then they have to look at what is the impact going to be on the rates. If the impact is going to be too great, then they would have to look at what they can do to either make that transfer still be possible under competitive rates or can they reduce their costs by achieving some additional efficiencies within the U.A. So there are different ways to look at it. But the overall ratemaking package includes all the costs of operations, the debt service, the capital budgeting requirements, and the transfer requirements. So in determining what that percentage is, they really need to look at the overall requirements kind of on a pro forma basis,

maybe do an estimate of five years, to see what is going to happen to the rates and what the impact of a different type of transfer policy is going to be. And if they cannot absorb the policy they are looking at right now, they may want to look at phasing in a percentage, or they may want to look at some efficiency improvements they think they can achieve. As far as the percentage of gross revenues, they can look at gross revenues or they can look at gross revenues exclusive of fuel adjustments. Basically if they forecast their fuel costs during a particular year, and during the year if the forecast is right on - it may be higher some months or lower some months, but the fuel adjustment over the year would essentially equal zero - yet when the customers are charged that fuel adjustment, that is a past due cost. So if they had developed their rates to incorporate the transfer, say 6%, that would not have incorporated any up or down on the fuel adjustment; therefore it would also eliminate some of the risks for the U.A. if they were to use a gross revenue exclusive of fuel adjustment for calculating the percentage. But again, they would have to look at the percentage in light of the overall ratemaking and what is going to happen to the overall rates and whether they can sustain their competitive rate structure and still be able to provide the capital budgeting needs and the operational needs as well.

Mayor Dannahower said one thing they must all bear in mind is that everything fits together, and in one fashion or another the public pays the tab. Whatever City Commission is there at the time has the responsibility for whether the revenues come from ad valorem taxes or from rate increases from the utilities or other sources. But the City Commission is the one that has to approve the rate changes. And if they take too much from the Utilities Authority, they are going to have to turn around and be prepared to agree to rate increases. So it is a juggling act and walking a tightrope, bear that in mind. He would like to read part of an Editorial that appeared in the Miami Herald in March. It was a general editorial in regard to tax caps. It said: "A Department of Revenue Study suggests that except for a few cities that operate electric utilities, most local governments in Florida will face severe financial woes, even bankruptcy, within a decade or so." That is what others are saying about the financial situation with local communities. Fort Pierce is very fortunate that they have an electric utility and that it does return a profit, because that relieves somewhere along the line another tax burden to the citizens. They need to use it for the profit they can get from it in addition to the service to their citizens; but they have to be very cautious also that they don't take from it too much, so that they keep it a viable and strong operation as it has been.

Mr. Handley said he agrees that the critical thing that is going to control how much the transfer can be is the level of rates and can they be competitive. Because if they are not competitive and the environment that the electric industry is about to enter, Fort Pierce won't be in the electric utility business either if their rates are not competitive. So competitive rates are becoming more and more critical, to the point of life or death, in the very near future. That gives them a ceiling. And the cost of running the utility, certainly the utility has endeavored to make itself more and more efficient and has taken some very visible cost cutting measures in the recent past to make its rates stay competitive while still providing their service and the transfer to the City. The methodology for a transfer to the City, it seems to him from the discussion, he is not sure they are arguing over the methodology or the amount. First of all, the methodology, what the City has done and what all cities that have municipal utilities have done, is to set them up as a separate enterprise with a separate set of books, enterprise funds, and in this case even a separate Board that specializes in managing utilities rather than managing City government. The reason that the enterprise funds are used for utilities is

because they run like a business. They have customers that have variable demands on their services, they are subject to market fluctuations and weather fluctuations, so the revenues and expenses are not predictable. The City government on the other hand has an obligation to finance certain expenses from set tax rates. Because of this variability of the utility enterprises, they do not want that fluctuating or unpredictable or uncontrollable level of net profit or something being a part of the general fund activity. So what city governments like to do is say they want their utilities to transfer a certain dollar amount based on a formula that is based on known facts, not projections or subsequent actual results, so that they know when they go to put their budget together exactly the dollar amount that has to be included in the budget, how much they are actually going to receive in a fiscal year. And that is a good thing. A utility is set up as an enterprise fund, to act like a business to absorb those fluctuations and manage their affairs just like any other business that doesn't know how much revenues or expenses they are going to have in the upcoming year. The actual formula and structure that is in place here in Fort Pierce, where the net revenue figure is split between the City and the U.A., in theory subjects the City to some fluctuations and some unknown quantities and some unpredictability, because they cannot predict what net revenues are going to be. However, the practice that has been exercised by the U.A. - and a lot of discussion of things that the City wants, to gain more control or eliminate the U.A.'s control over, and that is namely the deposits to rate stabilization funds, reserve funds, and those kinds of things that are taken in before net revenue is calculated - the actual historical practice of the U.A. for as far back as he has seen the numbers has been to make those deposits in a manner that actually does stabilize the transfer to the City. So the U.A. has eliminate the weakness in the formula for the City. There is a weakness in the formula in that it is theoretically subjected to fluctuations due to sales and market conditions, but the U.A. by the practice of their fiscal management has eliminated those fluctuations. The other point that has to be made is that those deposits to those reserve funds are not taking money away from the City. Those monies are used to defer expenses in the future and ultimately when withdrawn will flow through as revenues to the City. So he would agree with any theoretical argument that the present formula methodology has the weakness of being subject to variability, but he would also suggest that actual practice has eliminated that and has allowed the U.A. to stabilize its rates and stabilize the transfers to the City. He thinks the key negotiation that has to take place at this level is what is the dollar magnitude that the City needs from the U.A. and what is that impact on rates. Again, the ceiling has to be competitive rates. One methodology proposed is to apply a percentage to gross sales. He thinks it is asking for trouble and eliminating the one major benefit that they set up the enterprise fund for. Tying the transfer to sales eliminates the risk from the U.A. and places it all on the City. The City has no idea what the level of revenues is going to be. And the U.A., which is in the business of managing that risk, just lost that risk. It just does not make any sense to him.

Mayor Dannahower asked if that is the case, why do so many cities and public utilities use the gross percentage method?

Mr. Handley said it is simple is the main reason he can think of. They certainly would want to look at the percentage of gross revenues as a test of reasonableness and perhaps as a budget calculation. And if they can make 6% or 8% or whatever it is, the go ahead and budget it, and then the utility would set its rates in order to meet that budget. But he thinks what typically happens in those cases is they budget 6% and then that turns out to be so many dollars which a city receives, and the utility tries to make those dollars and the percent will fluctuate. But anyway he thinks that the business of the enterprise fund should

be to absorb the risk of market fluctuation, and that any negotiation or discussion should try to fix a dollar amount or the magnitude of the changes or some kind of verbal agreement; and any kind of changing of the formula is going to be looked at very closely by bondholders, and it may affect the rating of the utility's bonds by changing it and taking too much. Again the overriding concern is, however much they transfer is going to be a direct impact on the rates, and the rates have got to remain competitive.

Mayor Dannahower said with the bonds being insured, would that have an effect if the insurer agrees?

Mr. Handley said that is a good point, but is the insurer going to agree that the U.A. should transfer twice as much or significantly more than it is transferring now if they know that the impact is going to be higher rates?

Mayor Dannahower said he does not think anybody is suggesting that. The 6% would be apparently under the present scenario about $3.6 million, and they have been transferring somewhere around an average of $2.5 million over the last five years. So he does not know what Mr. Handley means by "significant". And some of those transfers would have been higher if the U.A. had not placed into the reserves the monies they had placed into the reserves including some of the monies that was actually due to the City. So the actual cash transfers would probably have been maybe $2.8 million to $3 million. So it is certainly not 50% or doubling it or anything of that magnitude, a 6% figure.

Mr. Enns said his own personal opinion is he thinks they need to look at changing the formula, not trying to resolve today what the formula or percentage is going to be. The logical step would be to have the City Staff and U.A. Staff get together with whatever help they need to do some pro formas based on different calculations to see what the effect would be on the Utilities Authority and on the City, and how much the City expects and how it would fit into the overall scheme as far as rates and other matters. Needless to say, all of this has to be done with the concurrence of bond counsel and the bond insurers, because they certainly don't intend to harm that. He thinks it has to come from Staff level as to what can be done. Run the pro formas to see what it will look like. He agrees with the U.A. attorney's interpretation that it has to be approved by the voters; and if so, it is going to take unanimous support from both the U.A. Board and the City Commission because referendums on issues such as this are not easy to pass. When they start talking about people's pocketbooks, they had better have their facts right. If it is going to be done, it needs to be done right.

Ms. Brown said she believes everyone is in agreement that the result of the transfer needs to be that the U.A. can still maintain competitive rates; however, the U.A. is a municipal authority and it was set up as an operating vehicle for the City. It does not take away the fact that it is a City utility. The U.A. itself should not have a profit objective because those profits do really belong to the citizens. To the extent that they are using a net revenue calculation, by saying the U.A. can level whatever the City is getting and taking that risk away, that should not necessarily be the U.A.'s function. Because what they have is minimum reserve level requirements that need to be put into the reserves each year. If they are not making that, they don't have any net revenues. So if they are going to have net revenues to divvy up or control, it is only that they are taking some of those and putting them back into reserves over and above their minimum levels, otherwise they would not have had anything in the bottom line anyway. So what they are talking about is the ability to manipulate that bottom line and take that control away so that there isn't any more concern over what is happening between the gross revenue or the net revenue level,

take that away, let the U.A. have the day-to-day operating capabilities, and just make sure that the percentage that they set on the gross revenues is something that everyone can live with. From there on, it becomes a process of establishing what they are going to do with their rate-making and whether they can live with that percentage. If they start that percentage now and set it such that they can maintain competitive rates, from there on out it is a matter of looking at the operations, it becomes a baseline cost.

Mr. Enns said he would disagree on making a profit. As he recalls, they changed the formula for the transfer by deleting one of their reserves. And the only way they got to build up the reserves was through profit. He thinks at the present time the U.A. is dangerously low in the reserve area. He thinks there has to be a profit motive in there. Yes, they could give the money back; but they could also face the prospect some day of having to rebuild the system and not having any money to do it. It is capital intensive, it takes bucks.

Ms. Brown said but that should be budgeted.

Mr. Enns said they could do that; but to say the U.A. doesn't need to make a profit is a little bit...

Ms. Brown said it wouldn't be profit. It would be that the U.A. has determined that it has capital budgeting needs and the U.A. must make sure their rates cover those. When she said "profit", she means they are not going to have this net revenue level if they are funding those reserves as budgeted and approved.

Mr. Enns said he has gone though the definition of net revenue several times. And he was pleased to see that after it was changed to accommodate the City that the recommendation was to go back to the way they were doing it before. So he is very confused on what net revenues are, because Ms. Brown's report says they should take out the reserve funds... This whole argument, they have been down this road before.

Ms. Brown said she thinks it is a matter of what is going into the reserve funds.

Mayor Dannahower said they did not actually take out U.A. reserve funds. He wants to make sure everybody understands that. They took out of the reserves what the U.A. had in there which was the City's money that had not been transferred.

City Manager Powell said if he might make a recommendation. They all know this is quite complicated, but he thinks they are somewhat in agreement. He disagrees with some of what Mr. Handley said. He does not think the issue is how much they want to make as much as it is what are they entitled to. He read recently where someone has said the U.A. was created for the sole purpose of annexing. He can tell them that in the 1970's the City Manager then was busy deannexing. So things have a way of changing from time to time due to the economy. The City is in the business of operating the Utilities Authority basically as a funding mechanism. They either have to raise taxes or they have to raise rates. There is one other thing that comes into consideration. They can cut costs. He thinks a formula that deals with percentage of gross revenues would bring all three of those into play. That is, the City Commission which ultimately has to pass on a vote to raise rates or a vote to raise taxes also would put pressure on management - both City and U.A. - if necessary to consider cost-cutting measures. That's where he thinks the issue is. He also thinks about a fair return on an investment. If they are in the utilities business, then they should have a fair return on their investment to do with whatever they decide is in the best interests of the citizens. It could be at some point in time that the City would have generated

enough funds that they would maybe not want to take a transfer. They could come back later and decide they want to put all of their excess funds which were generated from the U.A. into capital improvements for the purpose of annexation. But those things would either come or go sometime down the road. He had asked SVBK Consulting Group to review what he had presented and what the U.A. had presented simply to give an unbiased opinion to the Commission and to the Board. He certainly did not come here with anything but the best interests of both. The negotiations he had with SVBK was within the limits of the City Manager. He elected to do that and he thinks it was worthwhile. He would simply recommend to the Commission at this point that Staff be allowed to negotiate a fee with SVBK to help arrive at what they believe is a formula that would be of benefit to the U.A. and to the City, one that would be flexible. If a decision is made to go to a referendum, they need to proceed with this right away. They would need to have the ordinances in place in July if they want to place this on the ballot in September. If the Commission authorizes, they will try to negotiate a reasonable figure with them to help arrive at what they believe should be something that should be considered.

Mayor Dannahower asked is he wanting SVBK to do some additional analysis? He is wondering if Mr. Enns suggestion of negotiating at Staff level, with both consultants available, might not solve the matter without going to another fee. Do both consultants work on some hourly basis? He is a little inclined to see if they can't negotiate fairly quickly and easily, but they may need some help along the way. He agrees that this is a difficult process.

Mr. Carman said he basically agrees. If they are going to have any negotiations, Staff from both sides should be represented so they can get a better overall decision.

Commissioner Burdge said he agrees with the City Manager's recommendation, that the City Manager be authorized to enter into negotiation with SVBK Consulting Group. Once again, they are being barraged with numbers, percentages, dollar amounts. They don't really have a firm grip on what it should or shouldn't be. Let the consultant come back to them. There has been indication that flexibility needs to be within whatever is brought back. A suggestion he brought forth was the flexibility of a percentage not less than and not more than. As has been pointed out, there may be a time that the City may not want to transfer the amount. If it is a fixed 6%, the City may not want to transfer that because the needs may not be as great. The City may want to make an investment back into the Utilities Authority by allowing the Utilities Authority to use those transfer monies for capital improvements in light of possible annexation for the City. If they put it at one particular number and it is fixed there for eternity, it is obvious to him that this number would have to go back to the voters from time to time unless there was that flexibility. He believes the flexibility of not less than and not more than is flexible enough. Then allow Staff to determine in their budget processing what that percentage should be on a year to year basis. But at least both Staffs would understand what that would be going out far enough to be able to make adjustments within their budgets.

Chairman Center said assuming they set it at 6%, would there be anything that says the City can't refuse part of that in any year they wanted to; or do they have to take it? That would resolve the whole argument if they can do it that way.

Mr. Ben Bryan, U.A. Attorney, said he does not know. Currently that is not the way it is proposed. Right now, it says "up to 40%". What is being proposed now is 6% or a flat number. Now Commissioner Burdge is talking about a flexible number.

Chairman Center said they could say "up to 6%", assuming 6% is what they come up with. Who determines the option to either take the full 6% or less? They should not subject the U.A. to 8% because he thinks that would kill the U.A. if they did that some year.

Commissioner Burdge said that's just the problem. No one at this table knows the amount that should be transferred. If they do know that amount, if the documentation could be laid on the table he would gladly look at it. They have been talking about 6%. They have been talking about a fixed amount plus a percentage. They have been talking about not including the fuel allocation. They are talking about a lot of variables. He thinks that SVBK Consulting Group could come back with a number of variables. If they are just going to put their hat on 6%, then what is this fact-finding meeting they are having this afternoon for other than to ratify that they have already determined that it is going to be 6% so they can move on to the next item on the Agenda? He came here to gather information. He does not think there is enough information on this table to come up with a fixed number, maybe a variable number, but definitely not a fixed number. If that documentation is available in this room, please lay it on the table so he will be able to review it.

Commissioner Drummond said he is somewhat in accord with statements that were made by the U.A. Board. The last thing that he wants to do is have a number that appears to have been rammed down the throat of the U.A. He would like if possible for them to get to a posture where the City Manager would be able to, in conjunction with U.A. Staff and on an hourly basis with both the U.A.'s and the City's consultants, come up with some numbers and some variables they can look at in terms of what would be the appropriate amount. But he would certainly want it to be a cooperation versus it appearing that one body is going to do a study and then dictate to the other body as to which direction it should take. He thinks that would be the fairest way. If indeed they find themselves going to a referendum, he thinks they all want to be in accord that the final number is something they all feel comfortable with. That being the case, he thinks they should direct both Staffs to get together with their consultants.

Mr. Enns said he agrees. If they want to vote on a percentage today, then they should adjourn the meeting now, because he is not going to vote on it. He is trying to get Staffs to work together for the best interests of the customers, who are taxpayers, because that is what the 1972 referendum was about. They wanted the best services provided for water, sewer, gas, and electricity, and if any money was left over...

Mayor Dannahower said he is not sure that is all it was about.

Mr. Enns said well, there were some problems before that; but it wasn't set up to provide the City with an income. That's an admirable goal, but he thinks there has to be a balance.

Mayor Dannahower asked is he in accord with Staffs meeting?

Mr. Enns said yes; but he would hope that the City would not just go out and hire SVBK and tell the U.A. what they want to do.

Mayor Dannahower said that's basically what the Commission has said.

City Manager Powell said he hates to disagree with so many important people, but he is going to be stuck with the task of getting this thing resolved. He tried to make it clear in his opening statement, that he is not against the U.A., he is part of that system until they take him off the U.A. Board. He is not going to sit here and do anything that is going to be to the detriment of the U.A. nor is he going to allow the U.A. to do

something that is not in the best interest of the City. He does not want to be put into a position where they go out and hire two consultants to do the same thing and argue for the next 30 days. He would simply suggest that if they review what was presented, everybody agrees that the formula they have now is not necessarily in the best interest of the City. But information that came out from U.A. Staff yesterday, it pretty much states that they think the formula is all right. He does not want to get into a position where the U.A. Staff is taking a stand that what they are doing is great, and the City Staff is taking a position that it should be changed. If the City Commission would like to suggest taking action now that they do want it changed from what it is, so both Staffs would be working in the same direction... He can go out with a Request for Proposals and pick some other consultants; but he thinks these people today have demonstrated that they do know something about the formula and the rate structure and what impact it could have. It looks to him like they should have one consultant do the study and then present all that information to the U.A. for their consideration. He thinks that would be the approach to take. But he will certainly do whatever the Commission directs.

Mr. Enns said he is under the impression that the U.A. can provide the figures and do the pro formas to see what would happen if they changed the transfer formula. Maybe they wouldn't even need to hire an outside consultant.

City Manager Powell said if they want to take his recommendation, it's already on the board. It has been made several times recently, and Mr. Schindehette agreed with the 6%. He thinks they are real close now. His personal opinion is that he wants everybody to be happy. He has to be at the U.A. Board meetings and he wants to be received well over there.

Mr. Enns said he is suggesting that U.A. Staff work with City Staff to come up with something that is mutually acceptable. He does not think it would be mutually acceptable if the City just hires its own consultant and says this is what they are going to do, or vice versa if the U.A. did that.

City Manager Powell asked why should the City accept the U.A.'s consultant?

Mr. Enns said he is not saying they are offering that. He is just saying that U.A. Staff should work with the City Staff to try to arrive at a mutually agreeable solution. If the Staff working together find that they need consultants, then ask for RFP's.

Mayor Dannahower said they can come back later and hire either both consultants or another one, if necessary; but he is willing to give it a shot on a short term basis to see if they can work it out. He does not want to see them dragging this out for six months.

Motion was made by Commissioner Drummond, seconded by Commissioner Burdge, to direct City Staff to approach the U.A. Staff with regard to trying to work out a transfer formula change with the concept of moving from net revenue percentage to a percentage of gross revenues with the understanding that City Staff will have the ability to utilize consultants if necessary on an hourly basis for the purpose of determining the impact of said change to the structure of the City's revenues as well as to the structure of the U.A.'s operating budget.

Commissioner Burdge said some things have been brought up and he knows that this relationship will probably be talked about, in reference to what effect this potential new change would have on the current rates, in a sense whatever percentage rates are chosen, whether it be a variable percentage rate from one to

another - not less than nor more than. The other aspect that he would be really interested in is what relationship this change would have on the capital budget, specifically the replacement aspect of the capital budget, new as well as replacement. He knows that there is potential that it may have an impact on the capital budget. And in relationship to the rates, obviously if this was to go into effect there would have to be competitive rates in order for the U.A. to be competitive as far as their rate structure is concerned, not necessarily only in electricity but all the way across the board - sewer, water, and gas. He thinks that the competitiveness would be a very important part of if this is to go to referendum. Those are just a couple of things that he would be interested in knowing. Whatever comes back from Staff, the potential of a variable rate - not less than nor more than - and the relationship the transfer would have on the rates and on the capital budget of the U.A.

Those voting in favor of the motion were: Commissioners Bryan, Burdge, Drummond, Sessions, and Dannahower. Those opposed: None.

Mayor Dannahower asked is the U.A. Board agreeable to proceeding in this fashion?

Motion was made by Mr. Enns, seconded by Mr. McNeill, and unanimously carried, that U.A. Staff be directed to work with City Staff in trying to find a resolution that is in the best interest of the citizens of Fort Pierce.

There being no further business, Chairman Center adjourned the meeting of the Fort Pierce Utilities Authority Board at 5:50 p.m.

Mayor Dannahower called a recess at 5:50 p.m. and then reconvened the meeting at 5:55 p.m.

The next item on the Agenda was Discussion concerning **Code Enforcement** issues.

Mayor Dannahower said he sent a memorandum to the City Manager (dated May 4, 1994). It is not meant to criticize the Code Enforcement Division, but rather to see what they can or should do in regards to code enforcement, whether the codes are effective or if they need new ordinances, as well as the number of employees, the manner and timetables involved in getting things done, and that sort of thing. There is a gentleman in the audience who may wish to speak now or later who has been severely impacted by things that have happened on Delaware Avenue. (The gentleman indicated he would speak later.) He would like for Mr. Ballard to start and talk a little about the codes they have and where they may be deficient or maybe can change things. There are problems with vehicles that sit in yards. If vehicles are inoperable or unlicensed, they can do something about it; but if the vehicles are operable but not licensed, apparently the vehicles can sit in the yard a long time. He can point to 734 Delaware Avenue where there has been a truck for some time that apparently is operable, but has had a flat tire for about a month now.

Mr. Doug Ballard, Director of Development, said basically what Staff has been doing is looking at the codes. First off he would like to say that the City has proactive code enforcement, which means the inspectors are very active in going out and identifying problems, unlike many of the communities around Fort Pierce. Their codes are not much different, and in some cases are more stringent, than in surrounding communities. But to emphasize the proactive nature, they process about 3,000 code enforcement violations a year, with 800 of those referred by the public and the rest generated by Staff. That is something to be proud of. The problem is, they have limited Staff. There are four Code Enforcement Officers and one Clerk. At one point they had five

Code Enforcement Officers and three Clerks. What has happened as a result of the staff reductions is that the Code Enforcement Officers are now doing more in terms of clerical things than they did before. It hasn't been that bad of a problem because they have computerized code enforcement and that certainly has helped a lot. The Code Enforcement Officers divide their time into four zones, where they are responsible for all of the codes that exist, with some exceptions such as trash cans which are the responsibility of another department. But they are responsible for property maintenance codes on private property. The way it used to be was there was a Code Enforcement Officer responsible for cars, one for trash piles, one for overgrowth; and they were constantly crossing each other's path and it wasn't a very efficient way of doing things. So they set up a district method. They have looked at the City's codes versus codes in surrounding communities and they are not that different. However, they just got in eight different ordinances from other communities around the county, and they have some really neat provisions he thinks they ought to look at. Fort Pierce is struggling with problems that a lot of the surrounding communities are not. For example, they are having problems with such things as people putting carpets in their front yards. There is currently a provision in the Code that talks vaguely about maintaining the open space character and stuff like that, and that's what they are using to try to deal with that particular issue. There are people for whatever reason with an inclination to park a lot of vehicles. There is a house in his neighborhood where there are seven vehicles there every night, three sitting in the front yard. That creates a problem where the grass can't grow properly. There are problems with general appearance of property. In many neighborhoods, homeownership is low and rental is high; so they are dealing with some neighborhoods that are suffering from deferred maintenance where people are not maintaining their property, either because they do not live there and it is rental and perhaps they do not care, or perhaps they do not see it as an economically sound decision. The City needs to make it an economically sound decision for them to do, either through the Code Enforcement Board or whatnot. He thinks they have a good Code Enforcement Board who works very hard. It is without question in his mind the most difficult board that exists in this City; and they deserve and appreciate the Commission's support and recognition for what they do because it is really tough. They are oftentimes dealing with people who just do not want to do what it takes to bring their property up to code. They are also dealing with Florida Statutes, which to a certain extent handcuff Staff in terms of what they can do. For example, with property which is homesteaded, they are very limited in what they can do relative to enforcing a Code Enforcement Board fine. The Code Enforcement Board Attorney, Rob Schwerer, is very active in filing many liens. There are quite a few liens on property. He thinks one of the things they need to look at is how they can enforce those more effectively to get compliance. Their objective is not to make money or to collect fines, but to get compliance. There are some rare cases where the violations continue to go and the fines accrue. There is one that is $500 a day, and the property owner just does not care and he will not do anything, that's on Orange Avenue just west of 11th Street. It's a real problem.

Mayor Dannahower asked is it homesteaded?

Mr. Ballard said no. The City condemned the house and it was torn down. The lot is vacant and is quite deep. It is just overgrown. The City is having to have the grass cut. So they are basically providing a lawn service for other people's property. It is expensive because they have to pay to cut the grass on a regular basis because that particular owner refuses to do so. That's one he believes they have authorization to take to Court. They do that on occasion, where they have a hard case and are unable to get compliance, they do go ahead and take the

matter to Court. That also is an economic decision they have to make because it is an expense to the City; so they do not do that if they feel there is a chance of compliance.

Mr. Ballard said currently the time limits provided in the codes are not a problem necessarily, because they have to give someone a chance to come into compliance - fifteen days here or ten days there. The problem is getting the notice to the people. They have to notify them via certified mail. It is not unusual for it to take thirty days or more before they get a green card back showing that there has been service. And it is also not unusual for people to refuse service. Out of town owners who see a certified mail notice from Zip Code 34954, they just don't pick it up. That happens a lot. The attorney is looking into other ways to effect service. Within the City of Fort Pierce, if they have a problem getting service, they pay a process server. That works effectively, but it is a little expensive so they don't use it all the time. Some of the ordinances they are looking at from other communities, one has to do with commercial property for example. It says that if commercial property is vacant and if someone boards it up, they have to paint it and keep it looking good, so people aren't looking at aged plywood over a long period of time. There are other codes that address cars that are not roadworthy or cannot legally be driven. One of the problems they have to wrestle with in that regard is there are some legitimate situations where people have a car they are restoring which has value. One concern Staff has is that they keep the vehicle in the back or covered with a tarp. That helps that particular problem. Also they are dealing with lifestyles. That is something they can't necessarily address or would be difficult to address with code enforcement. That's something they may have to wrestle with, but some of those issues they have no ability to address. There are codes from other communities that deal with general appearance. They may need to strengthen their codes. Sometimes there are some honest differences of opinion as to what constitutes a violation. For example, there was a situation in one neighborhood where someone put in their side yard four telephone poles with ropes going to a barrel and had a rodeo thing, and every weekend there would be mattresses on the ground and beer cans all around. If it was in the back yard, maybe it wouldn't have been as much of a problem; but it was visible from the side yard. There are things that are a little out of the ordinary. The Code Enforcement Board attorney is looking at the City's existing codes and how they can be strengthened, and ways they can more effectively get notices served legally and what constitutes delivery for out of town people and absentee landlords. That is another thing they are struggling with. There is a high percentage of property owners that are absentee and just don't care. They do have some good solid ordinances. Fort Pierce is the only community around that he knows of that has a minimum housing code. It is more stringent than the State's migrant code, not by a lot. They have fairly stringent codes on the number of unrelated people that can live in a particular dwelling unit. Fort Pierce is by far the most restrictive in that regard. He will say that is a tough one to enforce. The attorney has indicated the burden of proof is on the City to determine whether people are related or not, and sometimes that is difficult to prove. Quite frankly, code enforcement is an art, trying to convince people to come into compliance. By the way, that happens about one-third of the time, where they are able to convince people without actually going to a citation process. That is good. They will continue to work on that, trying to talk someone into compliance; but it becomes increasingly difficult sometimes as a community changes or as an area becomes more blighted as the homeowners leave and as the rental properties increase. George Moody (Building & Code Coordinator) and Skip Ryley (Chief Violations Inspector) are present to answer questions. Also, representatives of NHS (Neighborhood Housing Services) are here. It really helps getting referrals from the public and from the Commission.

Mayor Dannahower asked how many of those 800 referrals from the public were his?

Mr. Ballard said quite a few. They get a lot from the Commission and it helps a lot. In fact, he thinks they got about twenty-five just recently from the Mayor. But there are some things that are tough for Staff to deal with from a legislative point of view and from an enforcement point of view.

Mayor Dannahower said he would like to talk about numbers of people living in a dwelling. Is there any other way to deal with this, other than what they are attempting to do? Are there any other codes? What about the number of bedrooms, bathrooms, square footage? One of the primary problems with that house on Delaware Avenue is it happens to be occupied by Haitians, and at times there are seven or eight cars parked there with twelve or fifteen people. It is supposed to be a duplex. How can they deal with that other than two people being related?

Mr. George Moody, Building & Code Enforcement Coordinator, said they use the housing code. The State, with their migrant camps, have said they can have "x" number of people in the units. That works fine for code enforcement with some of the migrant situations where there were 12 or 15 adults. They have never bothered families.

Mayor Dannahower said this situation is not families.

Mr. Moody said this one isn't. Part of the problem of overcrowding. But if someone has seven or eight kids, they have never invoked the housing code.

Mayor Dannahower said it is a different situation if it is children. He is not aware of Mr. Meadows' problem.

Mr. Jerry Meadows, 732 Delaware Avenue, said a family lives in one of the apartments (next door). The man is connected somehow with Haiti. On the 30th of each month he takes mail to Haiti - this is what the man has told them - and as a result of this, it is necessary for many people to come on the property. They come all hours of day and night. In the front apartment, there are several men staying. He is almost sure they are sleeping in shifts, because as many as he has seen going in and out, there is not enough bedroom space, it would be wall to wall people if they are all sleeping at one time. He has seen the buses from the groves picking them up early in the morning. It is not just a family. It is more like migrant workers staying there.

Mr. Ballard asked there's a family in the back and it looks like individual single males staying in the front?

Mr. Meadows said the man seems to be overseeing the thing.

Mr. Ballard said they can check to see if he is operating a business there. Is that what it looks like?

Mr. Meadows said he really does not know. The man told him today he collects mail to take back to Haiti each month. He knows the man leaves with numbers of suitcases and comes back with nothing.

Mr. Ballard said he knows they have been to that property a number of times. What they also do is basically pull all the inspectors off what they are doing to give a thorough inspection of a particular area, and they have certainly done that on Delaware Avenue.

Mayor Dannahower said this is a good example of what can happen to any neighborhood. Mr. Meadows came in and bought an older home. It used to be the Cassens home. He fixed it up very nicely. Now, his next door neighbor is a problem. Mr. Meadows

is ready to leave town; and quite frankly, he can not blame him. This is going to continue to happen. He does not know if they can salvage this one at this point in time. But they certainly have to try to find ways to stop it from happening in other areas, if there are any solutions.

City Manager Powell said one of the things they need to get resolved is the dispute the City has on-going with the State in reference to the number of unrelated people living in a household. The City has an ordinance that prohibits more than two unrelated people living in a household. The State HRS has informed Staff that their rules say no more than five. They are in dispute with HRS now over that. That is something they need to follow through on to get resolved.

Mayor Dannahower said but as far as they know, this house on Delaware Avenue is not one of those designated for migrant housing. It is a separate issue. If it is a migrant camp, they might have something to go to court on if they have to. But if it is just a group of Haitians living there, or whatever group, what other recourse do they have? Can they do anything on that kind of situation? It is going to happen all over the City. Do any other cities have to deal with this?

Mr. Ballard said they deal with them the same way. Many other cities actually do not have minimum housing codes. What the minimum housing code does it set up the minimum amount of square feet needed per occupant, the minimum bathroom facilities needed per occupant on a ratio basis. They have that tool. They also have the zoning code, which limits it to no more than two unrelated persons. The problem is that the burden of proving they are unrelated rests with Staff. So when they go into these facilities, the people with say they are brothers or cousins; and Staff has to wrestle with trying to show that they are not related and it sometimes becomes very difficult. However, they have been successful to a large extent in dealing with these issues, especially through the creation - at the City Manager's initiative - of the Unsafe Housing Task Force. In terms of the amount of migrant housing in Fort Pierce, it is not as great as it was. He thinks they really made a dent there. The thing that really got extremely frustrating was they found themselves fighting with the State. Of all of the migrant facilities the State has licensed in St. Lucie County, he believes all but one is in Fort Pierce. And he knows there are plenty of migrant housing outside the City. If fact, that is where most of them went. He personally believes the State targeted Fort Pierce for whatever reason. The State has licensed two in Indiantown. The rest, some twenty-odd, are in Fort Pierce. Why? He does not know. It was, in his opinion, a conscious decision on someone's part.

Mayor Dannahower asked did they ever get the addresses of those that were licensed by the State?

Mr. Ballard said yes.

Mayor Dannahower asked did they do any kind of windshield survey to look at them?

Mr. Ballard said yes, they did more than that, they went into every one.

Mayor Dannahower asked what kind of situation did they find?

Mr. Moody said they found that most of them in Fort Pierce were roominghouses. If they were licensed for eighteen people before, they were licensed for eighteen migrants. They did not find much of a change. There were just a couple of single-family homes where there were three. It was close. Also, corrections were made; such as electrical, plumbing, and so on. But most of them

were roominghouses. Roominghouses were licensed under a different agency; and for some reason they were taken over by HRS.

Mayor Dannahower asked have they gotten any additional addresses from them since they had their meetings?

Mr. Ballard said no.

City Manager Powell said the last word he heard was they were going to consult their legal staff and get back in touch. He hasn't heard back from them. That is why he indicated he thinks they need to pursue the issue and get it resolved.

Mayor Dannahower said they certainly need to keep track of any the State is licensing to see if they are continuing to do that. It has to be public information. Have they asked for it on a continuing basis?

City Attorney Brennan said they can periodically renew their request. They can ask that the State furnish the City with a copy of the licenses they issue. Have they already asked for it?

Mr. Ballard said yes, they got it eventually. There are about 25 or 26 licensed. One is in the County and the rest in the City.

Mayor Dannahower asked is there any way to deal with this other situation on Delaware Avenue, too many people living there? It's not a migrant camp. How can they deal with it?

City Attorney Brennan said if they can prove there is more than two unrelated people; also, the housing code, the size of the dwelling.

Mayor Dannahower asked how can they prove it?

City Attorney Brennan said to prove there is that many people staying there, it means hitting it late at night.

City Manager Powell said there were two complaints on the same street about two weeks ago from one complainant about two different houses and situations. It was a nice neighborhood on 12th Street. When he went out to look at the situation, it turned out to be three violations involved, if they could prove them. One was, there was no "No Parking" sign there; but one of the schoolteachers at Dan McCarty, instead of parking in the faculty lot, was parking in front of a house all day long each school day. There was no law to prevent that. But Capt. Noone called the teacher and told her it was disturbing to the neighbor by parking in front of her house all day long, and the teacher agreed not to park there any more. But in the other case, the neighbor across the street was about ready to sell and move simply because he could not stand what was happening across from him. What had happened was, one gentleman who had been living in that neighborhood for years was quite elderly and he had a lady coming in on a regular basis to help him with his chores. Apparently the man got worse and the lady got divorced, and her and her kids just moved in. So that created a problem because coupled with the problem just next door, there was a divorce in that family. And it was so many people coming and going, with cars parked in the driveways and garbage cans turned upside down. The lawn was in relatively nice shape, but the kids from those two houses had totally disrupted that neighborhood. After talking with the gentleman, he came back and talked to Mr. Ballard. There really isn't any laws about that. It is very difficult to correct that problem.

Mayor Dannahower said speaking of garbage cans, this particular residence had three or four cans right in the middle of the sidewalk from Saturday to Thursday.

Mr. Ballard said another problem they are seeing more of is trash piles in the right of way. That is something they struggle with too, because they don't have the Citywide cleanup any more, and that has placed a strain on the Solid Waste Department.

Mayor Dannahower asked what about changing the codes? Is there any way to strengthen them? Unlicensed vehicles in particular.

Mr. Rob Schwerer, Assistant City Attorney, said he does not know if they can target unlicensed vehicles as a problem. Most of the time the vehicles that come before the Code Enforcement Board are in such dilapidated shape, and believe it or not they have a license and people driving them. Then there are cars that are unlicensed that are one or two years old and sitting there waiting for the kid to get back from college. They already have some existing codes that work quite well. They can strengthen the codes from an aesthetic standpoint. But they have problems with defining where someone might be able to park. For instance, if they require the vehicle to be parked on a driveway, there are a lot of houses that do not have a driveway. If they say they cannot park on a lawn, what constitutes a lawn? There are a lot of problems. He and Mr. Ballard are looking at some things from other cities that have the same or similar problems to try to come up with something. Right now they basically have ordinances that deal with inoperable vehicles - tires off and the engine removed and it up on blocks - and that is not a problem.

Mayor Dannahower asked what about a flat tire for a month?

Mr. Schwerer said if a citation is issued, he thinks they would get compliance on that kind of case very quickly. The case they run into problems with is with people who are tenants who have moved and left their junked vehicle on the property. They see that a lot. And nobody wants to claim responsibility for it. Then there is the person who happens to be restoring a 25 year old pickup truck which they claim is a classic, and it is stored outside the garage and is not operable. They come before the Board and say they have ordered parts and are trying to make it operable. Most of the people comply and try to work it out. Once they get to the Code Enforcement Board, most of these people often do things that the Board requests - not necessarily things that are required by Code - but they work with the Board and move the vehicle to a place where it is not visible from other properties or they sometimes even put a fence up around it when it is parked up against the house. As far as targeting just unlicensed vehicles, he does not think that is going to solve the problem. He does not think they can. He looked at a case years ago that gave him a problem because the State Department of Motor Vehicles is in charge of licensing vehicles. He and Mr. Ballard have seen a lot of cases where licenses are really not the issue because a lot of those junk cars have licenses. They can certainly take a look at it from the aspect of where they can park and overcrowding of vehicles in the front yard for instance. They do have a code that anything that detracts from the open space character of a residential lot for instance can be classified as a violation and can be dealt with under the zoning code. They may have to look at the possibility of beefing that up a little more to get it more definitive. Something that may be an eyesore to one person is not to another. He would like to be able to have a leg to stand on if they have to take it all the way to court.

Commissioner Bryan asked what about cars for sale in yards?

Mr. Schwerer said there have been cases before the Board in the past where people were actually conducting a business. For instance, they photographed three different vehicles there every two weeks and checked ownership records, and only one was owned by the person there. But they don't really have an ordinance that would prohibit someone from selling their own vehicle.

Commissioner Bryan asked is there any time limit on it?

Mr. Schwerer said none that he is aware of.

Mayor Dannahower asked could there be a time limit on how long an owner could have his car out front with a "For Sale" sign on it?

Mr. Schwerer said there could be, but it would be problematic because from an enforcement standpoint they would have to monitor the situation. It would be a problem to draft something - what would be a reasonable length of time. He would be more concerned with where the vehicle is parked. If it is in the right of way, it would cause a problem; but if it is in their own yard... They have to treat everybody equal. For instance, if a person has a car for sale and it is sitting in their driveway and it is a nice looking vehicle, and they pass an ordinance that says it can't be more than ten days because of problems with old dilapidated vehicles on other properties in the City, they can't draw a distinction, it has to be the same across the board. It might hurt some people who have a car they actually are driving to work and they get home from work and the "For Sale" sign is in the car window and it takes them more than ten days to sell it. There is a problem with distinguishing between that situation and another one where it really is an eyesore and a problem. There is a problem from a code enforcement standpoint in drawing up such an ordinance.

Commissioner Sessions said based on what he has heard this evening, he does not think it is necessary to add additional ordinances. As far as he is concerned, there are many already in effect, but it is a lack of enforcement due to manpower or whatever. He thinks tighter enforcement of the codes they already have in effect, that is the direction they should concentrate on.

Mayor Dannahower said they may be moving in that direction, but he thought it would be appropriate to take a look at everything. His own feeling is if there are things they can do to strengthen the codes in some fashion, he would expect Staff to come back with some recommendations to do it. He thinks they have got to be more aggressive. Obviously when they see some of these things happening in their neighborhoods it is a problem. He understands the functions of the law make it difficult at times. But on the other hand, properties are going down in value and the owners rights are certainly be affected. It is like the situation on Delaware Avenue. He doubts that Mr. Meadows can come close to selling his place for what he has in it because of what others are doing to make money. It is not right.

Mr. Ballard said there is one thing they have been looking at that would be quite different in terms of how they are approaching code enforcement. By the way, for whatever it is worth, Staff is quite productive in terms of what they are able to handle compared to some other communities they have looked at in terms of ratio of officers to cases processed. One thing they would like to look at is the very mechanism they utilize to handle a violation. For example, they find a junk car and they issue a violation notice and that person does not comply, and the matter is scheduled before the Code Enforcement Board which meets once a month; and the Code Enforcement Board makes a decision if it is a violation and then it must be cured within a specific time or a fine is levied. One option they would like to look at is the ability for Code Enforcement Officers to issue citations with a fine on the spot with an appeal process to the Code Enforcement Board. That is something he thinks is worthy of looking at. It has been initiated in some other communities, but generally is a relatively new approach.

Mayor Dannahower said they should be looking at everything that can make it more effective. There is a fine line between

people's rights and laws, he understands that. He does not like to see them put more laws and rules on the books, it is against his nature to have to do that; but when people's well-being is at stake, he thinks they have to take some strong measures. Some of the things that are happening are serious and unusual problems. Just a few years ago there were no Haitians living here so they did not have to be concerned about fifteen of them living in one residence, but now there are.

Mr. Mike Morris, Director of Neighborhood Housing Services of Fort Pierce, said one of the NHS staff members, Linda Van Natta, has been instrumental in getting Code Enforcement Officers out to assist, and they appreciate the City's efforts. The Mayor has alluded to Mr. Meadow's home. During the Spring Home Tour, in the May 8th issue of The Tribune, Mr. Meadow's home was showcased with color photographs of the exterior and interior. NHS is beginning June 18th with a block party for the Delaware Avenue block to try to bring the factions together, hoping they can develop some type of synergism. As to problems with refuse and dumping, on June 11th they are also having a Neighborhood Clean-Up Day in the northwest section. He invites anyone who wants to get involved to call 465-2544.

Mayor Dannahower said some things he wanted to discuss, the Code Enforcement Board and how it functions. His concern there is, can they simplify things for that Board. Are there enough people on the Code Enforcement Board, so that just four or five of them are not having to put in too many hours every month; or is there any problem there?

Mr. Phil Rosenthal said he serves on the Code Enforcement Board as an appointed member by the Commission. He does not see that much of a problem because of the diligent effort of the City Staff that prepares the cases for the Board and who outlines the codes and sections applicable to the violations. He will give them an opinion. He thinks the Board make-up needs a change. The Board probably handles 25% to 30% minority cases. He jokingly says he is the only minority on the Board, being Jewish. There is no black representation on the Board. They lost the last one when he moved out of the City. They should consider either expanding the Board with one or two more members, readdressing getting a minority on the Board. He would be willing to drop off the Board if they can find a minority replacement.

Mayor Dannahower asked is there a vacancy on the Board now?

Mr. Rosenthal said no. Mr. Robinson was replaced with a white Anglo a couple of months ago.

Mayor Dannahower said that is something they need to keep in mind and address. He would not suggest dropping Mr. Rosenthal off. But it is a very good point. Commissioner Drummond might...

Commissioner Drummond said he brought up that issue at that meeting.

Mayor Dannahower asked did Commissioner Drummond bring them some names?

Commissioner Drummond said no, at that time a name had been brought to them, the individual who was appointed. But he brought it up that night; and he recommended that they didn't appoint that person for that reason.

Mr. Ballard said he believes it was Robert Tabor.

Mayor Dannahower said then they will certainly be looking for minorities for the Code Enforcement Board in the future. But in general terms, does he feel the Board is not overworked now?

Mr. Rosenthal said no, and it is because of Staff's diligent efforts. They put together the cases for the Board and they are relatively routine, except for occasional gray areas. For instance, the bucking bronco, was that a violation? They had no way to say that it was. It appeared to be a violation until someone pointed out, is a swingset with three kids on it living next door to a senior citizen a violation? There are some things that definitely needs some teeth and strengthening. They can have all the laws in the world, but without enforcement... What aggravates him the most is all the assessments that the Code Enforcement Board levies, he sees a million dollars in uncollected fines. That kind of outstanding money should be collected.

Mayor Dannahower said the trouble is collecting it.

Mr. Rosenthal said that's his point, he thinks the public generally knows that the City can assess any fine it wants; but if they are not going to collect it, what difference does it make?

Mr. Schwerer said looking at the fines on record, these are the hard core violations. They carry fines for a number of years before deleting them from the list. The reason is, they keep them on there in case they want to go after collection. Some of these they know are not collectible. There are a few that are in the couple of hundred thousand range. The numbers should not be shocking because by far, in surveying other boards in this County, Fort Pierce gets the most compliance before its Code Enforcement Board. People voluntarily comply. They have the least number of fines assessed per cases on the docket. But some are a problem. A lot of those are from 1986. And over the years, there is going to be a large number in fine dollar amounts showing; but they just don't want to take them off the list because once they do they lose the ability to ever try to collect, when some time and some way they might be able to.

Mayor Dannahower asked do they ever turn things over to a collection agency? Would that have any effect?

Mr. Ballard said that is one of the things they are kicking around, seeing if that is a possibility. He does not know if the Commission would want them to do that or not. He has not had an opportunity to talk with Mr. Schwerer about that yet.

Mr. Schwerer said he is not sure about a collection agency. They have discussed credit bureau reporting, because some of these people have the ability to pay but are avoiding it. They know because the lien is on their homestead that there is a collection problem, the City cannot foreclose. There are a few of those. They are looking at alternatives, credit bureau reporting for instance, showing it up on someone's credit. That would be rare though, that it would cause someone concern. They do have the ability to foreclose on some liens. There is new legislation out and he is hesitant to discuss it because it has not been signed by the Governor yet. It is going to require the violators, even in cases where they have complied, to reimburse the city for the cost of prosecution. That may cause some problems because it has not been defined yet; but it could include staff time, investigative work, number of hours - the same type procedure used in law enforcement situations. That might help, because once they start assessing some of those costs, word will get out.

Mayor Dannahower asked is that the only new legislation?

Mr. Schwerer said that was one of the major things which would definitely strengthen the code enforcement system. They did something about repeat violations and gave them more strength there. What happens is people will wait until the last minute to comply. It is good that they comply, because that is really what

the Board wants, not necessarily assessing fines and collecting money. But they get tired of the same person coming in every four months or so, and that person knows just exactly when they can comply without having to pay a fine. This new legislation should assist in correcting that problem.

Ms. Harriet Brenner said she is particularly concerned about absentee landlords. In her opinion, Fort Pierce is owned lock, stock, and barrel by absentee and present landlords. Until this Commission gets a handle on how to handle these absentee and present landlords and makes them bring their property into compliance and finds some kind of law - whether it be open space or aesthetics or whatever - they are not going to get any kind of solution. Maybe they will have to publish the people's names in the paper who own those properties. If they live here, maybe somebody will go up to them and say "Hey, what's with you and that property there, it belongs to you?" She has been making a concerted effort to find out who owns some of this property, and she is appalled. They grew up here and they left and they came back four years ago, and she is just appalled. It makes her so mad she can't stand it. The other thing is, she does not know how to go about it, but it seems to her that the State needs to go back to reinspecting automobiles. She thinks Florida is probably the only state in the union that doesn't inspect automobiles and get these pieces of junk off the road. She just got back from the east coast on vacation, and she did not see the junk up there along the east coast she sees down here. Maybe this Commission should get together with the County to see if they can't get the State to redo that. She was wondering perhaps, in talking about the vehicles in the yards, if there is anyway to use tonnage? She knows they had problems with the semi-trucks. Perhaps some of those others could be based on tonnage, the migrant vans that are all over town. She also is very angry with the State about the migrant camps, that Fort Pierce is the throw-away city. What has Fort Pierce done wrong? How do they get to the person who is throwing them away?

Mayor Dannahower said those are some interesting questions. He does not know if he could answer them. Ms. Brenner is right-on about what is happening. Part of the problem quite obviously is the nature of their economy. It is agriculture and citrus. The Haitians came here because they could get work readily. He thinks some of the churches brought them here. They were able to blend into the community very easily. He thinks they were encouraged to come to this agricultural area.

Ms. Brenner said they are being exploited.

Mayor Dannahower said they very likely are, but he does not know. He knows most of them that live in the worst conditions are probably much better off than what they were in Haiti, and that's why they want to keep coming here.

Commissioner Bryan said Mr. Ballard had mentioned the migrant homes in Fort Pierce, some twenty?

Mr. Ballard said licensed by the State, more than that actually. ABC Mobile Home Park is a bunch of that, one of them.

Commissioner Bryan asked does that mean that someone here in Fort Pierce or in the County has requested...?

Mr. Ballard said as he understood it, what was happening was the City had gotten calls and some complaints basically. For example, he knows of one mobile home owner where the State, in order to get new spaces licensed, said they wanted it to become a licensed migrant camp. That persons did not want to. Ultimately he does not think he did. But basically people weren't raising their hands and asking to be licensed. But the question he had was, why is Fort Pierce the only place that is happening?

Commissioner Drummond asked weren't they already licensed in the City, but just under a different division of the State - under hotels?

Mr. Ballard said roominghouses were that way.

Commissioner Drummond said they just shifted that all over to HRS, and the closest title they could come up with was "migrant"?

Mr. Ballard said what he is saying is right. The roominghouses and whatnot over a certain number of rooms was handled by the State hotel thing; but now it is HRS. But on top of that, HRS also has this migrant directive. In a way it is related to some of the roominghouses because migrants live in roominghouses oftentimes. So that probably compounded it. The inspectors were going out, and some of that inspection helped because it improved living conditions.

City Manager Powell said he thinks they have gone more away from the concept of migrant labor camps, which they used to have a lot of, to migrant housing, which takes in a lot of residential units. That is where the City has a disagreement with them, because the State is very actively persuading these people to apply. There has been some good in that because the State actually has monitored those houses and are required to monitor them, once they have been licensed for migrant residents. But the State is allowing up to five unrelated persons to live there, up to the State's standards. But again he would point out that is in direct conflict with the City's ordinances. That is why they need to get this thing resolved, because if the City's position is upheld, that is going to deter the State from continuing to license these places for five unrelated persons. If there are five unrelated persons, there are probably ten cars because that is what usually happens.

Commissioner Drummond said he was always of the opinion that local jurisdictions could not come up with anything which was going to be less restrictive than what the State mandated; but that they were allowed to be more restrictive.

Mr. Ballard said that is exactly the City's argument to the State. The problem is, they are having to deal with bureaucrats that either are not or do not want to become familiar with the law. They had a meeting at the City Manager's initiative with HRS. HRS had counsel there, and their counsel basically said "Fort Pierce is a home-rule city and they do have the ability". Hearing that helped. What was happening early on, but is not happening now, is the City was going out inspected the place and telling them there were too many people; then behind them the State came in and said Fort Pierce can't enforce that because the State law says five, and State law counts while local law doesn't. That is not true. The City cannot be less restrictive, but they certainly can as a home-rule city be more restrictive. That's exactly the point they have been trying to make with the State.

Commissioner Bryan asked is there a limit on the number; or in a year from now, will there be thirty or forty more?

Mayor Dannahower said there could be. He talked with HRS and their consultant, and their consultant was the biggest problem. He met with Chamber of Commerce and recently with Staff. HRS knows exactly how they feel, that the City does not want them and that the City disagrees with them legally. No words were minced at all by himself, Mr. Brennan, Mr. Ballard, or Mr. Powell about this situation. HRS is fully aware of it. Mr. Williams is the new director for this district; and he has indicated he intends to cooperate. He does not know if anything is happening or how many more have been licensed or what HRS's attitude is on the ones that have been licensed.

City Attorney Brennan said the thing is, they can't target migrants. At these meetings they have been having with these people it was pointed out they apply these ordinances City-wide to everybody, and it doesn't just apply to migrants.

Ms. Frances Scott asked is there an ordinance on the books that states when an apartment is rented to people with children that there has to be at least some lawn so the children do not play in the streets?

City Attorney Brennan said no.

Mayor Dannahower said he does not think it would be enforceable.

Commissioner Drummond said they have laws that from a zoning standpoint have a percentage of lot coverage.

Mr. Moody said it does not say anything about grass though. There is a law that says if the grass is high it must be cut. But there is no law that says they have to plant grass.

Mayor Dannahower said they need one real bad.

City Attorney Brennan said one of the things they asked was why they were targeting Fort Pierce on this migrant deal, and why not in the County. Their answer was basically they wanted to bring the migrant families into areas where schools and other facilities were available. That is the kind of thinking they have run into in reference to these meetings they have had with the State agencies.

Mayor Dannahower said it was also pointed out that the City was spending state and federal monies to try and rehabilitate the neighborhoods and build new housing, and they were basically doing things that were disruptive to a neighborhood. It did not seem to impress them very much. He thinks if HRS does not cooperate as Mr. Williams has indicated, there is no recourse but to try to do something in the courts. He hates to take on another lawsuit, but he thinks that is where it will end up if the State does not cooperate.

Mr. Al Rivett said Mr. Ballard had mentioned some other city had drafted codes in regard to general appearance. Can he expound a little bit on that?

Mr. Ballard said in many cases, there are different ways of saying the same thing. Fort Pierce's general appearance code deals with terms like "open space character". He thinks that needs to be better defined and strengthened. One thing he would like to suggest the Commission consider is to require that houses, garages, and sheds be properly painted. They have some examples of ordinances relative to that. Mr. Schwerer has not had a chance to look at some of these, because he just got them. He got them through a Planner's Advisory Service. There are different ways of saying "Don't clutter up your yard". They are going to have to work at whatever language they think will be most effective here.

Mr. Rivett asked does it apply to commercial?

Mr. Ballard said yes. In fact, one ordinance he saw that specifically addressed vacant commercial property. It is something he was intrigued with and they need to look at.

City Manager Powell said about two years ago they looked at an ordinance that dealt with residential and commercial property owners being required to maintain the swales and ditches and sidewalks in front of their property. That is one of the things he thinks some cities have used successfully, but sometimes it is hard to enforce. He knows Mr. Morgan (Director of Public Works)

is having a tough time with a lot of the sidewalks. Go down any street and they will find several neighbors taking care of the sidewalk and the City-owned property in front of their houses, and then all of a sudden there is one where they don't. This is something they need to take a look at.

Mr. Ballard said they deal with some pretty ornery people. There was one situation where this one guy had grass up to there and the City got on his case to cut it; and the guy cut his grass but would not touch anything in the right of way. That happens occasionally.

Mr. Rivett said the reason for his question about the appearance is an economic development issue. The better the community looks, the better chance they have of getting business and industry located here and as a result expand the tax base. The Fort Pierce Area Council has made a request of the Board of Directors to recognize the efforts of the Fort Pierce City Commission, which has done a tremendous job with the resources they have.

Mr. Rosenthal said he has one other item. He knows of a case concerning dogs that occurred on his block. A neighbor had three or four dogs in the yard that barked continuously, and someone called Animal Control numerous times. Animal Control told her a person could have as many dogs as they want, as long as they were not running a kennel.

Mayor Dannahower asked is there an ordinance?

Mr. Ballard said Animal Control is not under Code Enforcement any more; it is under the Police Department. He does not know if there is a limit.

City Clerk Steele said there is no limit to the number of animals; but there is an ordinance that addresses excessive barking.

Mr. Ballard said there was one case where there was thirty or forty cats. It was a public nuisance. They had to go to court on that.

Mayor Dannahower said that may be something else to look at.

Ms. Brenner said Section 4-40 of the Code says: "It shall be unlawful for any owner to permit his or her animal to become a public nuisance or for any individual to create a public nuisance as defined herein."

Ms. Sunny Gates said she lives in an older neighborhood on Indian River Drive. Their particular area backs up to 2nd Street. They have formed a Crime Watch. And through Crime Watch over the past year, with the help of Mr. Moody and Capt. Noone and Mr. Ballard and others, they have been able to take down two buildings. They have found a number of things they have been able to improve. She does wish they can become more aggressive in the code enforcement part and absentee landlords. It takes so long to get through the paperwork and red tape. But they have made a great improvement. She wishes to commend them for all the things they have done. Everybody in the neighborhood feels so much better about being there. Part of the problem is total apathy. She wishes more citizens would become involved and care.

Mayor Dannahower said they have a couple of problem areas in their neighborhood, but the rest are really kept up pretty good. One of those is rental property. Part of the problem of that one is there continues to be overgrowth on the river side of Indian River Drive, including real big peppertrees. That is something they may need to address. There is certainly no reason for those to be in the City.

Mr. Ballard said he is not sure about peppertrees, but they have an ordinance on Australian pines.

Commissioner Drummond said peppertrees too.

Mr. Ballard said they can't plant them; but there is nothing about removing them.

Mayor Dannahower said there is severe overgrowth on the bank and down on the river itself, and there is just a little narrow stretch up on the bank that the man mows. Most of what is left is a bad appearance.

Mr. Meadows said they have heard a lot of problems discussed. But he would like to hear something concrete towards at least one subject that they are going to pursue, be it derelict vehicles or whatever. They need an ordinance to solve at least one specific problem.

Mayor Dannahower said he is going to suggest that the Commission agree to give instructions to Staff to review all of these items and come back with some specific recommendations and be very aggressive in the process. That is his feeling. He thinks they are at that point where they have to be aggressive. The attorneys may have to be innovative and not be afraid to push it just a little bit.

Ms. Scott said there is an ordinance that people are supposed to remove their garbage cans. There is not excuse. Most of the rentals do not pick them up. When they went on their Crime Watch walk, there were garbage cans in the middle of the sidewalk on Orange Avenue and they had to walk in the street. Many people don't pick them up at all, including those recycle bins. Is there anything that can be done? Another thing, there are empty ones where people drop off little packages in there; and somebody else comes along later and to pick up the package. She thinks it is drugs.

Mr. Ballard said garbage cans come under the Solid Waste Department.

Mayor Dannahower said maybe the Code Enforcement Division needs to be more involved in the cans being left out.

Mr. Ballard said they were at one point; but then they transferred one Inspector to Solid Waste.

City Manager Powell said they have Neighborhood Policing involved in this too. The officers will be looking for those kinds of violations, to pass those on. Staff will look into that as well.

Commissioner Drummond said he is comfortable with the suggestion the Mayor has made. Staff can come back with some innovative ways to address those items. The problem with cars, licensing is a problem simply because of the fact that that is only used for the purpose of determining whether or not it can be operated on the streets and it has absolutely nothing to do with ownership, and he thinks they got nailed for that. But anything that is innovative he would be happy to look at. The discussion of tonnage as it relates to some vehicles, he would be interested in seeing whether or not that can be addressed because there are vehicles associated with the citrus business which don't add to the appearance of their neighborhoods. If there is a way to attack that, he would appreciate it.

Commissioner Sessions said they can have all the laws and ordinances they want, but unless they have stricter enforcement - whether it be increasing manpower or whatever - it will not do any good.

Mayor Dannahower said Staff should come back and tell the Commission if they need more people.

City Manager Powell said one complaint that reaches his desk most often is commercial vehicles parked in residential areas and on sidewalks. One thing they have had a difficult time dealing with is that most of those violations occur when the Code Enforcement Officers have gone home. Mr. Ballard has recently authorized some overtime to have someone go out and do that. If they are successful during the budget process and are able to obtain some additional help in code enforcement, they are going to schedule people to work an area in coordination with the Police Department. They are going to try to stop those big tractors from coming in at night, parking on the sidewalks all night long. They are going to have to issue some citations and take some people to court. They may help clear it up.

Commissioner Bryan asked what about neighbors getting involved to give the Code Enforcement Board and the Code Enforcement Officers some relief? What about a volunteer group? She thinks there are enough people in town that are concerned about these things. She is not suggesting they issue citations, but they can make calls.

Mr. Ballard said one of the things they did - which in the budget cutbacks was cut out - and it worked real well to begin with, was they had an Unsafe Housing Hotline, a telephone number with a simple answering machine tied up to it. What is really important is neighbors working together, as Ms. Gates indicated and as Mr. Morris is trying to get people to do. In a lot of cases, people do not know their neighbors. They need to organize these neighborhoods and get them active. Maybe they should reinstitute that telephone number where people can call in complaints. There are only four Violations Inspectors out there. Every referral they get, from the Commissioners or from a citizen, helps. It makes the Inspectors more effective.

Commissioner Bryan said there are enough people who would like to be of some help, even if it is just making a telephone call.

Mayor Dannahower asked if people want to call in a complaint, what is the easiest and best way, and who would they ask for?

Mr. Ballard said they usually get referred to the Code Enforcement Clerk, Lois McCoy; and she will refer it to the Inspector whose particular zone that is located in. Sometimes they get a trash complaint, and that is referred to Solid Waste. A dog complaint is referred to Animal Control. The nice thing about the telephone answering machine is that people could call at any time. Maybe they could institute that again and advertise it.

Commissioner Burdge said in reference to volunteerism, some years ago he presented a similar type program in reference to a sidewalk patrol he had picked up some information on. At that particular time the Commission did not wish to further its endeavor on that particular area. There are a great number of people within the City that walk the City. They do it for exercise, but they are also willing to do it for the betterment of the City. There are some forms available in City Hall. He supplied some of those forms to the Neighborhood Housing Services people. It is a check-off list. Those can be distributed to those who want to become involved. He believes that is something they should move forward on, volunteerism of the community. He does not think that it necessarily would be hard to come up with some sort of program similar to the law enforcement seminar for citizens that the Police Department currently has. They could have a workshop for those volunteers who wanted to participate in that type of program, and the Code Enforcement Officers could put on a brief seminar on what to look for, what not to look for, and basically what not to do. In other words, the volunteer is not

the person who needs to go and confront the landowner; just get the information on a form. Another thing he brought up a few months ago was crosstraining of City employees. Specifically there was discussing this afternoon that there seems to be a number of trash piles in the right of way. There are City employees who go down every street of this City twice a week - that's the Solid Waste Department. He knows they are linked by radio back to the office. If they see something, he does not know why they are not reporting it. If they are reporting it, maybe that information is not being transferred to the correct location to get that stuff taken care of. If it is, fine. If it is not, then maybe some crosstraining of the total Staff of the City. One problem they have is there are a number of people who do not live in the City but work for the City. That creates a problem too. But those who do work for the City and live in the City, he thinks it would be more advantageous for them to become more of a part. And possibly a general seminar for all City employees, that the City is taking a stand on code enforcement, and the City employees need to take part of that responsibility in supplying information to the Code Enforcement Division. Again, not necessarily having to actually do the paperwork, but these flyers should be distributed to everyone. And there should be a general consensus that the City as well as the Commission is taking a firm and solid stand against code violators. Those type of efforts resonate from the Commission down to the lowest levels of the employees and throughout the ranks of the employees. He knows that the Police Department could become more involved. He believes there is some number that deals strictly with code enforcement. Through the reports that they receive from 911, there are slots that deal just strictly with code enforcement. He is wondering how often the Police Department becomes involved with code enforcement and actually issue citations. Can the Police Department issue citations if they see things? The thing he remembers most vividly is the milk truck that has gravitated from Ormond Avenue down to Sunrise Boulevard in some way. Hopefully it is not the same one.

Mr. Ballard said that was on the right of way. They tagged it and it is gone. He has not seen it back.

Commissioner Burdge said that is the kind of thing that he thinks the Police Department should take a more active role in. If they need to, set a quota. And if they match their quota, then maybe the Commission should authorize some prize. That is probably illegal. But it is a matter of fact that the Commission needs to from their level all the way down to the lowest level get to the point that all of the City workers become involved in code enforcement, not just the four people that are designated to go out and actually in a sense do the job, but the City as a whole. He knows the Mayor sends reports and he does it himself from time to time. Maybe the other Commissioners should become aware of it and pass it down.

Acting Chief of Police James Mahar said the Police Department is constantly looking at violations and turning them in. When they first started Community Policing, they were working with everybody, and they swamped Code Enforcement and that is when they had plenty of people. As they got into the neighborhoods, what appeared to be a small code violation ended up being something very serious. They were tied up. The Police Department actually had to back off and give them time to clear up some of their cases because they were so buried they could not get out. Then they lost some people. That did not help the situation either. The Police Officers are instructed to look for code violations and bring it to their attention.

Mr. Ballard said they get a lot of referrals to this day from the Police Department. The biggest thing that was probably frustrating to the Police Officers themselves was the due process procedure that the Code Enforcement Division had to go through.

It is not a matter of arresting someone, it is a matter of dealing with private property. The processes are quite different.

Chief Mahar said it was a problem that the Code Enforcement Officers did not have the manpower and were backed up in the process.

City Manager Powell said for example, even if they get a call today about a trash pile - maybe a neighbor calls it in, which happens a lot and they are grateful for that - the situation is, that trash pile is not going to just disappear overnight just because the City knows about it. It could take a week or ten days. He has had several calls from Commissioners on the same pile, for example. Their goal is to get rid of it as soon as they can, but make the responsible party pay for it. They are talking about a lot of dollars here. If there is a truckload, it costs gas and manpower and disposal tipping fees. So it is a very expensive process. So when they get a complaint, Staff goes out and tries to determine - and sometimes it takes a few days to do it - who is the guilty party? One neighbor will put it down on another guy's lot. It takes a little investigation to determine that. When that happens, they maybe have to get help from the Police do to a little mini-investigation to prove that this person actually did that. After it goes on for a while, sometimes it is not worth it; and he will go ahead and instruct City Staff to pick it up, because it is worth more to the community to get rid of it than it is to hassle with it. But keep in mind that it does not happen overnight just because Staff knows it is piled up there.

Commissioner Burdge said on the aspect of volunteerism, he knows by working in the school system that each school tries to get many people involved as volunteers, and there are actual awards given out by the State of Florida. He does not see where in a sense a school is any different than a municipality in the small sense that they are all part of the community and that this is where they live and raise their kids. In some ways in relationship to innovative ideas, the idea of establishing possibly people who would volunteer to actually work in the office to do some of the typing that might be necessary in this, to do some of the research that might be necessary. He does not know what a Violations Inspector does after they get the address and go out and look at it. The point being is, if it is a manpower situation, he is sure that people can be trained and will volunteer in certain areas when they become comfortable in that particular area. As a matter of fact, some of them would probably pride themselves on being able to work in code enforcement, sort of like being a mini-detective in searching out and finding the actual person who owns the land and such like that. He thinks through the Personnel Department they could establish a volunteer section; and then go out and figure out which departments they could actually have people come and do those types of jobs. Then set up some formal training in order to actually teach those people how to do the jobs as volunteers. There are a lot of retirees in the City of Fort Pierce. There are a lot of people who would be willing to come and volunteer three or five hours a week. There are probably a large amount of volunteers that could easily want to work in City Hall with code enforcement as they have already with the Reserve Officers of the Police Department.

Mr. Ballard said perhaps one of the ways volunteers could help the most is just become active in their neighborhoods and to call in problems. A code enforcement violation, once it has been identified, it puts into motion a long and sometimes protracted system that requires a lot of follow-up. There is more to it than most people realize. Certainly people could be trained to do those things. He thinks becoming active in their neighborhoods and becoming committed to playing an important role

as to what that neighborhood is going to become is perhaps the most important form of volunteerism the City could benefit from.

Ms. Brenner said she would like them to go back to the suggestion about the Violations Inspectors being able to issue citations on the spot and pursue that. She also thinks they should look very seriously at a second shift person who would come on at like 3:00 p.m. into this building and be able to work in a quiet atmosphere and follow up on things. She knows people who will not move to Fort Pierce. It looks terrible. If they don't spend some money to fix it up, they are going to lose their tax base and go further away from where they would like to be.

Ms. Scott said what about Crime Watch? NHS has helped them and has been wonderful. They have united people in the neighborhood. But the thing is, they would be happy to volunteer to report things. She wants a better City and she loves this City. She has been here a lot of years.

Mr. Ballard said he does not know if there is a Crime Watch on Delaware Avenue, but there has been a number of meetings that have happened in that neighborhood relative to NHS and what they are trying to do to organize it. He, Mr. Moody, and Mr. Ryley have gone to explain to people what it is that constitutes a violation. They would be happy to come to one of the Crime Watch meetings Ms. Scott referred to.

Mayor Dannahower said unless there is something else that is important to talk about on this, they will leave it with Staff. Are there any objections? (No one objected.) They can have another meeting in a couple of weeks if that is enough time for Mr. Ballard. There are problems with vacations and that sort of thing, but they will do the best they can. This is something that he personally is going to try and pursue, and they may meet in special session on some regular basis if they have to. It is important and they look forward to some positive things very quickly.

There being no further business, Mayor Dannahower declared the meeting adjourned at 7:35 p.m.

Adjournment.

ATTEST:

Cassandra Stiles
CITY CLERK

MAYOR COMMISSIONER

Planning Board; but she does not indicate on her application she is interested in planning. She would be more in favor of supporting Sunny Gates.

Mayor Dannahower said he is not sure about Commissioner Burdge's remarks. He has recently had some opportunity to work with Ms. Gates on the Crime Watch in his neighborhood. She is doing a superb job in working on that and working on code enforcement in the area. She has attended at least one Commission meeting to support the need for code enforcement. He does not know Ms. Parks; she probably would serve very well. But he knows Ms. Gates quite well and will support her. The resolution that is going to be voted on would appoint Susan Parks.

Those voting in favor of the adoption of Resolution No. 94-42 were: Commissioners Burdge. Those opposed: Commissioner Bryan, Drummond, Sessions, and Dannahower.

(RESOLUTION NO. 94-42, APPOINTING SUSAN ENGEL PARKS, WAS NOT ADOPTED.)

City Clerk Steele introduced the following resolution by title only:

RESOLUTION NO. 94-42

"A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, CERTIFYING THE APPOINTMENT OF **SONJA M. GATES** AS A MEMBER OF THE CITY PLANNING BOARD."

Motion was made by Commissioner Burdge, seconded by Commissioner Drummond, that Resolution No. 94-42 be adopted.

Those voting in favor of the adoption of Resolution No. 94-42 were: Commissioners Bryan, Burdge, Drummond, and Dannahower. Those opposed: Commissioner Sessions.

The next item on the Agenda was Resolution No. 94-44, Appointing an Alternate Member of the **Board of Adjustment** (to serve the unexpired term of Donald L. Bergman); said term expiring February 29, 1996.

Mayor Dannahower asked do they have a name for this one? (No names were submitted). Those in the audience that have a desire to work with the City on some of its important boards, they would certainly like to know about it so they could consider them. They do require pretty much they be a resident of the City.

The next item on the Agenda was Request authorization to advertise an ordinance that would change the present **formula being used to transfer funds from the Utilities Authority** to the City to 6% of gross revenues.

City Manager Powell said on the Agenda tonight is a request for the Commission to approve the advertising of an ordinance that would change the transfer formula from its present 60%/40% to 6% of gross sales. If the City Commission agrees and approves the recommendation, there would need to be a date set to place this matter before a referendum and there would need to be an effective date as well. Representatives from the Utilities Authority are here tonight as well as City Staff who have been working on this proposed change for quite some time. There was a Special Meeting this afternoon at 5:00 p.m. of the Utilities Authority Board, which basically gave approval to the language that was prepared. Mr. Bryan, the U.A.'s attorney, has prepared an ordinance.

Mayor Dannahower said before they go on, he wants to be sure of one item. The present ordinance, as he understands it, that was approved and recommended by the Utilities Authority Board this afternoon would call for the 6% of gross and there are certain

caveats that go with that. But also that transfer would include the $200,000 in free services the City has been receiving.

City Manager Powell said the $200,000 would be deleted. It would be part of the transfer.

Mayor Dannahower said so that would not be in addition to the transfer. Is that Mr. Boudreaux's understanding of what they are doing here tonight?

Mr. Bud Boudreaux, Director of Fort Pierce Utilities Authority, said yes.

Commissioner Burdge said he would like to know the story about the $200,000.

Mr. Boudreaux asked does he have a specific question?

Commissioner Burdge asked why can't they get the $200,000 any more?

Mr. Boudreaux said that was a recommendation on part of the Utilities Authority, to include the $200,000 as a part of the 6% and not an addition to it. The reason being is that the 6% of gross revenue as opposed to 40% of the net revenue or net profit would be a rather large increase on the order of $800,000 to $1 million per year depending on the amount of revenue the Utilities Authority took in. It is their feeling that large an amount could have somewhat of a detrimental effect and it would be greatly mitigated if the $200,000 of free services would be absorbed into the 6% gross. It is strictly a matter of economics.

Commissioner Burdge asked if the formula is to be changed, does he anticipate a rate increase within the first two years?

Mr. Boudreaux said he cannot really prognosticate within the next two years; but they do not plan to have a rate increase within the next fiscal year. They have balanced their budget based upon those circumstances and it does not include a rate increase for Fiscal Year 1994-95.

Commissioner Burdge said the circumstances are the 6% transfer.

Mr. Boudreaux said yes. The problem with predicting rate increases is that the Utilities Authority revenues are greatly dependent upon the weather.

Commissioner Burdge asked does he anticipate the same or the projected amount of capital expenditures they have projected before this potential change in formula?

Mr. Boudreaux said in the past they have had a capital budgeting philosophy which differs somewhat from the present budgeting philosophy. In the past the philosophy has been to budget for the things that they need to do. This year they decided to try to budget for the things they can do, which is a vast difference in quantity, because with what they have given Staff, they can only do so much and get so far. This year they tried to predict what they could do as opposed to what needs to be done. They are going to keep that philosophy for the next few years. Consequently the capital budgets they will see coming out of the Utilities Authority will be considerably less than what they have seen in the past. However, he anticipates that they will be completing a much higher percentage of their capital budget programs in the future than they have in the past.

Mayor Dannahower said one other change that happened recently also was the inclusion of the wholesale water that would be included in the gross that originally was not. There will be

some additional revenues from that which will partly make up for the $200,000. And also there is some potential of the Utilities Authority doing some management for others; in that case those fees would also be included. That would offset it somewhat. There was the one concession and then another concession. The request before them is to authorize advertising the ordinance. They need to set a date for the referendum; is that correct?

City Manager Powell said that is correct. The information that has been provided to him indicates if the Commission wishes to place this matter on the September 8th primary, a decision would need to be made by July 22nd. There has been some discussion with both staffs in reference to the short period of time between now and September 8th because some educational information will have to be relayed to the public, hopefully by the Utilities Authority and the City agreeing this change is in the best interest of the taxpayers and the ratepayers. Sufficient information will need to be provided to make this appealing to the public and make them aware of just exactly what is taking place. The next date would be October 4th, which would be a run-off date and would probably have less attendance. Those are the two dates that are before the Commission. It is his understanding based on what both attorneys indicated today at the 5:00 meeting of the U.A. Board, that if they do elect to authorize advertising the ordinance, they can proceed with that; and if there are any changes of a minor nature, between now and the time the ordinance is finally passed there could be some amendments to it.

Motion was made by Commissioner Burdge, seconded by Commissioner Bryan, to authorize advertising of an ordinance that would change the present formula being used to transfer funds from the Utilities Authority to the City to 6% of gross revenues; and that the date of the referendum be October 4, 1994.

Commissioner Drummond asked what happens if no one is in the runoff?

Commissioner Burdge said they will probably have a bunch in the runoff with all the governors, school board members, and County Commissioners.

Mayor Dannahower said if there wasn't they would be stuck with having a special election and paying for it.

Commissioner Burdge asked is it possible to say October 4th subject to a run-off election; and if not, then November 8th?

City Manager Powell said it would be a legal matter. If they advertise it, the Supervisor of Elections has to know it in time.

Mayor Dannahower said they will know September 8th whether there is going to be a runoff or not. If there isn't, there will be sufficient time to change it to November.

City Attorney Brennan said the question he would have is in reference to any advertisement requirements. That just might throw it off.

Commissioner Sessions asked is there a particular reason why he chose October 4th?

Commissioner Burdge said yes. Primarily because it is a run-off election and it would give them an opportunity in a sense because they would basically be the only people on the ballot and they would be able to have that educational process. The September election, everyone wants to get elected, so everyone is going to be running around. On October 4th, there would be fewer people. When they get into the November one, the campaigns themselves will intensify so much that he is not sure they will be able to

get their message across. On the October one he thinks they could get their message across to their constituents which are basically the people within the City of Fort Pierce. It should not be that hard of an election in a sense to get that across. But if they are flooded with all the other elections involved in it... That is one of the reasons why they don't hold municipal elections in with these elections, so there elections can be viewed more by the City electors.

Mayor Dannahower said he does not have any concerns about there not being a runoff. But if that happens they will know the morning of September 9th and can deal with it at that point.

Those voting in favor of the motion were: Commissioners Bryan, Burdge, Drummond, Sessions, and Dannahower. Those opposed: None.

Mayor Dannahower said he would like to publicly thank the Staff and the Attorney for the Utilities Authority, and City Staff and the City Attorney, for a lot of time and work that went in on that ordinance they asked to be advertised. There was a lot of give and take, but it was done in good spirit in the interest of the public; and they should be complimented for the way that has been handled.

The next item was Consider **Interlocal Agreement** between the City, St. Lucie County and the Fort Pierce Utilities Authority for **Disposal of Leachate** from the County Landfill into the UA's Wastewater System.

City Manager Powell said he received a letter from the County Administrator (dated July 8, 1994), along with a proposed Interlocal Agreement which has been amended after many discussions between the Utilities Authority Staff, City Staff, and County Staff. The changes in the Interlocal Agreement have been noted by the City Attorney in a memorandum (dated July 12, 1994), which outlines a number of concerns he has in reference to the language. He agrees with the City Attorney's concerns. And based on the conditions as outlined, he recommends that the Interlocal Agreement not be approved. However, he thinks it is in the interest of the County, the City, and the U.A. - and especially the people who live in the County - that this thing go forward. He is not just sure how to get it forward. To him it is a rather simple matter; but again, everyone has their own concerns. Those concerns have been expressed over and over. And that is basically where they are.

Mayor Dannahower said he would hope they can find a way to get this Interlocal Agreement signed and completed. It is in the interest of the County and all County residents. It is in the interest of the Utilities Authority and the City to see it put together if they can. When it first came to the Utilities Authority, he had serious concerns and still has concerns about the potential liability and the potential difficulty of materials ending up in the Wastewater Treatment Plant that they don't want. Be that as it may, the engineers have assured him that is a minimal risk and they could live with that risk. However, there are some things that have been pointed out by the City Attorney and the City Manager that need to be changed. There are still some concerns that have not been resolved with the Utilities Authority. They were told at the U.A. meeting today the County Attorney had indicated there was an error in the 30 day written notice paragraph where the County could terminate without cause. The City certainly cannot in any circumstances live with that. The way it is written, the County could terminate immediately and the City would have to pay for the $1.6 million cost of improvements. He would suggest the Commission approve the agreement with the caveat that the City Attorney make the changes that would make it acceptable and then send it back to the County.

d. Approve execution and delivery of a Lease Purchase Agreement between Coastal Leasing, Inc. and the City of Fort Pierce (as part of the American Lighting Maintenance, Inc. **Police Station Energy Conservation** program).

e. Authorize the purchase from **Police Law Institute** for 120 one-year Subscriptions to the "Monthly Legal Update & Review" at $120.83 per subscription, for a total of $14,500.

The next item on the Agenda was Mr. Elie Boudreaux, Director of Fort Pierce Utilities Authority, to present **FPUA 1993-94 Annual Report and Check for Annual Transfer**.

Mr. Elie Boudreaux, Director of Fort Pierce Utilities Authority, said he is here this evening to do two things - to present the Annual Financial Report for 1994 and also to present the transfer check. The Annual Financial Report as presented here tonight has been subjected to audit procedures by the firm of Berger, Harris, Toombs, Elam, & McAlpin of Fort Pierce. Normally Mr. Jim Elam presents the City and the FPUA reports at the same meeting; however, somehow they got out of sequence and requested the report be on the Agenda along with the presentation of the transfer check and in the process they failed to notify Mr. Elam in a timely manner. He will be here for the presentation of the City annual financial report and will be happy to address any questions or concerns that the Commission may have at that time. He would like to parrot a couple of things that Mr. Elam did say when he made the presentation to the Fort Pierce Utilities Authority Board two weeks ago. There are three areas of the report he specifically mentioned. On Page 12 in the Financial section they may notice the gross revenues were down by approximately $1 million. However, they will see the operating income is up by $1.5 million, or about 21%. While the gross revenues decreased by $1 million, the operating income still went up by $1.5 million. That is indicative of the cost cutting that the Utilities Authority has taken over the last couple of years. This is something his predecessor had started and they are starting to see the fruits of that effort at this time. The second thing he would like to point out is on Page 18 on the computation of the transfer to the City. Included in the check for $4,368,500 is about $644,000 which results from reserves from prior years from which the transfer was never taken. After this there will be no monies left in the coffers of the U.A. from which the City transfer has not been made once this transfer is completed. The third thing he would like to point out is Page 24, the auditor's letter to the bond holders. Mr. Elam in addressing the U.A. Board said that with the year ending September 30, 1994, nothing came to their attention that was out of the ordinary; however, he pointed out that in October 1994 the voters of the City approved an ordinance that changed the transfer formula to the point that it is possible the transfer can exceed 40% of the net revenues, which is contrary to the bond covenants. It is anticipated that in coming years the new formula will allow the transfer to exceed 40%. When they were going through this process quite a few months ago they had gotten an opinion from their bond counsel that this would not be a problem. And they are pretty confident it will not be a problem because the proper agencies had been notified of the change in the transfer formula. However, next year he expects there will be some language in the report that will make a statement to the effect that there may be a non-compliance with the bond covenants due to the change in the transfer formula. They will address that problem when it comes. If there are any questions about the Annual Financial Report, he will try to answer.

Mr. Boudreaux said he would like to present the check for the annual transfer. This is the largest check that has ever been presented by the U.A. to the City, $4,368,500. He would like to mention, in addition to the Mayor being here, two of the Board members are in the audience - Mr. Bob Carmen and Mr. Ed Enns.

Mayor Dannahower said it is the largest transfer they have ever received from the Utilities Authority. Part of it was because of funds that were already there that had not been transferred. But a good deal of it was because of some hard work, particularly by the staff. It is noteworthy that Bob Carmen was the Chairman during the time they got that biggest transfer. He hopes the future Chairman can increase it as much as what they have seen this year.

Mr. Bob Carmen said he feels that Bud Boudreaux is the top man now and is doing a wonderful job. How long has he been there?

Mr. Boudreaux said nine months.

The next item on the Agenda was Mr. Mike Brown, Jr., Fort Pierce Main Street, to report on progress of **Manatee Observation & Educational Center**.

Mr. Mike Brown said they are making some very good progress. They have made the quarterly report to FIND as required by the grant and updated FIND on the status of the project. That was written communication. He has also communicated verbally with David Roach, who is the Executive Director of FIND. They are well aware of what Main Street is doing and so forth. They have also made a determination of FIND's requirements for the project modification, which is to move the project to the north side of Moore's Creek. They have developed with the assistance of the County a project site plan; and have also done with the assistance of the City of Fort Pierce project site survey. They have developed a very competent architectural design team consisting of well known and local private architects as well as the college architectural instructors. They have developed some very exciting floor plans and elevations. They have prepared a project timeline which they have submitted to FIND. Very importantly, last Tuesday they received approval from the County to sublease the portion of the north side of Moore's Creek that will be required for the actual project itself. The County is very enthusiastic and is trying to assist as much as possible. Where they are right now, the architects are in the process of completing the plans. They are meeting every Thursday. They hope to be able to get those plans completed shortly, revise the cost estimates, and resubmit to FIND for project modification. Right now they feel they are in pretty good shape. They expect to be ready to go some time in early April. They expect to have the facility up by September 1995, just like they are supposed to as per the grant. They have a lot of excited people working on it and there is a lot of enthusiasm for the project right now.

Ordinance No. J-140 entitled, "AN ORDINANCE EXTENDING THE TERRITORIAL LIMITS OF THE CITY OF FORT PIERCE, FLORIDA, TO INCLUDE PROPERTY LOCATED ON THE WEST SIDE OF U.S. #1, APPROXIMATELY 362 FEET SOUTH OF GLENVIEW AVENUE, KNOWN AS **3227 SOUTH U.S. #1**; DIRECTING THE ST. LUCIE COUNTY PROPERTY APPRAISER TO ASSESS SAID PROPERTY AND PLACE IT ON THE CITY TAX ROLLS AS OF THE FINAL DATE OF ENACTMENT OF THIS ORDINANCE; DIRECTING THE ST. LUCIE COUNTY TAX COLLECTOR TO COLLECT TAXES ON THE HEREIN DESCRIBED PROPERTY; CERTIFYING PUBLICATION OF THIS ORDINANCE; ZONING SAID LAND; ESTABLISHING THE FUTURE LAND USE DESIGNATION; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR THE EFFECTIVE DATE HEREOF." was placed on second and final reading and read by title only. (Owned by: McCraney Petroleum Company)

Mayor Dannahower declared a Public Hearing on Ordinance No. J-140 in session and asked if anyone in the audience wished to be heard.

Seeing no one and hearing no one wishing to be heard, Mayor Dannahower declared the Public Hearing closed.

Mr. Barnes said that is why she has so much property to collect these animals.

Motion was made by Commissioner Nelson, seconded by Commissioner Sessions, that the 1987 Dodge Van (Vehicle #15-007) be removed from the donation list; and that the 1989 Isuzu Pickup (Vehicle #10-012) be donated to Club Utilitas; and the 1983 Dodge Van (Vehicle #16-291) be donated to Dogs & Cats Forever, Inc.

Those voting in favor of the motion were: Commissioners Benton, Bryan, Nelson, Sessions, and Enns. Those opposed: None.

The next item on the Agenda was Mr. Elie Boudreaux, Director of Fort Pierce Utilities Authority, request approval of Resolution No. U.S. 97-12, Final Budget Amendment for F.Y. 1997.

Mr. Elie Boudreaux, Director of Fort Pierce Utilities Authority, said they have before them U.A. Resolution 97-12, which is their Final Budget Amendment for Fiscal Year 1997. There is a memo of explanation of variances in this Final Budget Amendment which they are asking the Commission to approve. A couple of things he would like to bring their attention to. The proposed estimated transfer to the City is $35,000 less than what was transferred last year. Although this budget amendment does not really address that, this is only housekeeping for their budgeting process, he would like to give them a short explanation on the reason for that. They will get the figures on this when they get the combined financial report in a few weeks along with the check. He thinks what also is worthy of note in here is that the actual amount that they spent over the last fiscal year was slightly over $2 million less than what was approved. They are constantly looking at cost cutting measures in the Utilities Authority. As far as the estimated decrease in the transfer, although the gross revenue was higher for Fiscal Year 1997 than Fiscal Year 1996, both the net income for the Utilities Authority and the City transfer were both lower in Fiscal Year 1997. The bottom line is that the unit sales were lower. The City transfer is based upon gross revenue; however, some of the revenues were exempted in that process. For example, electric sales for resale and contract gas sales were also excluded because the profit margins in these two areas are considerably low, generally lower than 6%, and to include these in the formula would have in most years penalized the Utilities Authority and historically these amounts has been relatively small. Also excluded from the gross revenue figure is the power cost adjustment for the electric utility. There is also a corresponding purchase gas adjustment (PGA) in the gas utility. What this exclusion means is that the City transfer of 6% is computed on the base rate - he is referring to electric now - of $89.88. That is no matter how the PCA, the purchase cost adjustment varies, the transfer is computed on the base rate which is set by the Utilities Authority and approved by the City Commission. The PCA on the other hand is a dollar amount per thousand kilowatt hours, which is set by the Utilities Authority, that is based on the cost of power or fuel to produce that power. It presently is $1.78 per thousand kilowatt hours and it is added to the bill. Historically, it has been a negative amount. This item is excluded because it is a straight pass through. And whether the PCA is plus or minus, the transfer formula is not affected by the PCA. They hope to be able to lower the PCA within the next few months, resulting in lower bills to customers. But again, this will not affect the City transfer except through possibly helping to increase unit sales by having lower bills for customers. They believe the unit sales last year are lower for two reasons. One is due to the mild weather they have had and also due to the higher bills. In milder weather, customers are less likely to use electricity to heat or cool their businesses or their homes. When costs are high, people again are less likely to use electricity due to the elasticity of demand. If

they are able to lower the electric bills as they have an intention to do, they expect the unit sales to increase this year, which will have a positive effect on the City transfer amount for next year. The U.A. Finance Director, Mr. Frank Varella, is here with him this evening. Between the two of them they hope to be able to answer any questions the Commission may have regarding this budget amendment.

Commissioner Sessions asked what are the U.A.'s plans in order to address the shortcoming in the upcoming year? Do they have any long term plans to eradicate the problem that Mr. Boudreaux says they are encountering presently so that they can get that nice healthy check that they used to get?

Mr. Boudreaux said the major plan or the major emphasis is reduce the rates, primarily in the electric area. He honestly believes that they are going to be able to, by the end of this calendar year, have a significant reduction in electric rates. It is going to take some time to do it, but they are going to be able to lower electric rates, which hopefully will have the effect of customers using more electricity only because they will not have to pay as much for it. One of the major factors, and he knows he says this every year and it is the truth every year, is that the weather is the biggest factor on the profits of the Utilities Authority. If they have a mild winter or a mild summer, customers do not use very much electricity for heating or cooling. And normally the afternoon thundershowers at 2:00 or 3:00 o'clock in the afternoon knock the heat load down instantly. People also will not be watering lawns as much when there is an abundance of rain. Over the last three years, they have averaged about 75 inches of rainfall per year, whereas the 50 year average is about 50 inches per year. So they have had an awful lot of water fall on the City the last couple of years. That has had a negative effect in both electric sales and water sales. So weather is the primary player. But in an effort to position themselves for competition in the next few years, their plan is to lower the electric rates and they have a plan to do that.

Commissioner Sessions said he tends to wonder whether or not mother nature is the actual individual that is responsible here when Mr. Boudreaux tells them that gross revenues are up nevertheless.

Mr. Boudreaux said the gross revenue includes the PCA which is added to the bill and that is a direct pass through to customers. It is indicative of exactly what it costs them for the additional power or the fuel to produce that power. Within the base rate of $89.88 there is a certain amount of money that is projected in there for fuel costs and power costs. If the power and fuel costs go above or below that figure, they have to adjust through the PCA. That PCA adjustment is a direct pass through. When their costs are lower, they deduct that from the bills, so customers in effect see a lower bill. He does not want to say a lower rate because the rate always stays the same. But they see a lower bill, because the bill they will see is the base rate less a $2 or $3 PCA. He does not know if he is making sense. So in the computation of the City transfer formula, the PCA is not a player, whether it is high or low. In the last couple of years when the PCA has been a negative amount, the City transfer was still based on the $89.88, even though customers were paying maybe $84.00. In fact, at one point they were paying $79.00 per thousand kilowatt hours, but the transfer to the City was still based upon $89.88.

Mayor Enns said fuel costs have such wild impacts, they can change in over a couple of months. If they tried to include it entirely in their rate, they would be constantly having to hire somebody to come in and re-figure the rates. So basically what they have done is they have put the fuel costs out as a separate item. So if they

go down, the consumer is the beneficiary; if it goes up, they are the ones that have to pay for it. And the gas market is ...

Mr. Boudreaux said it is a commodity and it is very volatile.

Mayor Enns said it is a commodity and it fluctuates a great deal.

Mr. Boudreaux said for example, a year and one-half ago, gas prices on the stock exchange, NYMEX or the Mercantile Exchange, were about $1.85 to $1.90 a million BTU's, and six months ago it was up to like $3.50. So it is a wild ride and it is very hard predict because it is commodity like soy beans and pork bellies and wheat and corn and things like that.

Commissioner Nelson said Mr. Boudreaux covered this but he is still confused. Mr. Boudreaux said something trying to explain it earlier. Fuel costs, is that considered an expense?

Mr. Boudreaux said yes.

Commissioner Nelson said based on Mr. Boudreaux's report, he concluded that they had a decrease in expenses, an increase in revenues, and a shortfall of $35,000 that they are giving to the City as opposed to what they gave last year. He is not sure he quite understands that. Could Mr. Boudreaux explain it further? Has the City's Staff or Mr. Beach looked at that?

Mr. Boudreaux said he can explain it. For one thing, if they are looking at the Budget Amendment, they will not find anything in there to explain this because this Budget Amendment only reconciles their last year's budget. They had a $2 million decrease in expenses. The budgeted amount for the previous year, they spent $68,111,000, which was a decrease of $2 million. So their total O&M Budget for last year was in the vicinity of $70 million. That is what was budgeted, that was what was approved by the Utilities Authority, that is what was approved by the City Commission. They only spent $68,000,000. So there was $2 million that was budgeted that they did not spend. That is why he is saying they saved $2 million off the budgeted amount.

Commissioner Nelson said so it was not a real expense, it was a projected expense.

Mr. Boudreaux said yes, this document, this was all projected. This is what they are doing, is reconciling what was projected versus what was actually done.

Commissioner Nelson said now he understands it. This English language is funny. Those funny little words sure straightened him out.

Mayor Enns said remember, expenses have nothing to do with the City transfer now. Nothing whatsoever. Strictly gross revenue less any exempt item.

Commissioner Nelson said Mr. Boudreaux has projected now a shortfall of $35,000.

Mayor Enns said if the Utilities Authority lost $5 million, the City would still get its transfer.

Mr. Boudreaux said that is correct, based on gross revenue.

Motion was made by Commissioner Bryan, seconded by Commissioner Nelson, to approve Resolution No. U.A. 97-12, Final Budget Amendment for F.Y. 1997.

Charter Review Commission **4.b.**

Meeting Date: 10/18/2017

Re:

SUBJECT:

Other information deemed valuable.

Attachments

Bond Covenants

THE KOBLEGARD LAW FIRM

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October 11, 2017

Via Electronic Mail to jmesser@city-ftpierce.com
Mr. James Messer
City of Fort Pierce

Re: Bond Covenants Governing Funds and Accounts

Dear Jim:

Please find enclosed a Memorandum from our Bond Counsel setting forth our current cash situation and any restrictions on the use of the funds.

If you need any further information, please give me a call.

Sincerely,

Koby

R.N. Koblegard, III, Esq.

RNK/tr
enclosures

MEMORANDUM

To: Fort Pierce Utilities Authority
From: Bryant Miller Olive
Date: October 10, 2017
Subject: Bond Covenants Governing Funds and Accounts

Summary:

The Fort Pierce Utilities Authority ("Authority") issues revenue bonds and other debt obligations from time to time to finance or refinance improvements to its utility system (the "System"). The issuance of such bonds is governed by Resolution No. U.A. 85-29 (as amended and supplemented from time to time, the "Master Bond Resolution"). The following memorandum summarizes the covenants set forth in the Master Bond Resolution pertaining to the establishment and funding of various accounts and describes the required level of funding for such accounts based on currently outstanding bonds. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Bond Resolution.

Bond Covenants:

The following revenue bonds issued under the Master Bond Resolution are currently outstanding: Utilities Revenue Capital Appreciation Bonds, Series 1999B, Utilities Refunding Revenue Bonds, Series 2009, and Utilities Refunding Revenue Bond, Series 2016 (collectively, the "Bonds").

The Master Bond Resolution sets forth the covenants made by the Authority for the benefit of the holders of the Bonds. Section 3.03 thereof governs the expenditure and deposit of System revenues. As set forth therein, all Gross Revenues of the System are deposited upon receipt to the Revenue Fund and held there in trust to be used only for the purposes described in the resolution. All revenues on deposit in the Revenue Fund must be disposed of monthly, in the following order.[1] Restrictions on expending such revenues are noted.

First, Capital Improvement Charges which are not legally available to pay debt service on the Bonds and are not pledged to pay debt service on the Bonds are placed into a separate account and used only for the purposes for which they are imposed and collected.

Second, Capital Improvement Charges which are legally available to pay debt service on the Bonds and are pledged to pay debt service on the Bonds are deposited into either (i) the Sinking Fund, or (ii) into a separate account and used only to pay principal and interest on the debt obligations to which they have been pledged.

Third, Revenues are then used to pay the current Operating Expenses of the System.

Fourth, from the balance remaining in the Revenue Fund, moneys are deposited into the Sinking Fund in amounts sufficient to satisfy forthcoming debt service payments on the Bonds.[2]

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[1] A composite of the complete text of Section 3.03 of the Master Bond Resolution is included below as Attachment A.

[2] Monthly deposits are generally equal to 1/6 of all interest due on the Bonds on the next semiannual payment date (or 1/12 of such interest if payments are due annually), together with 1/6 of all

Moneys on deposit in the Sinking Fund are restricted may only be used for payment of debt service or redemption of outstanding Bonds.

Fifth, moneys remaining in the Revenue Fund are next applied to maintain a Reserve Fund in an amount equal to the Reserve Fund Requirement on the Bonds secured thereby, which sum is initially deposited therein from proceeds of the sale of the Bonds or other Authority funds and replenished from monthly Revenues in the event of draws or shortfall in the Reserve Fund Requirement. Moneys in the Reserve Fund are restricted and may only be used for payment of principal and interest on the applicable Bonds when other moneys in the Sinking Fund are insufficient.[3]

Sixth, upon issuance of Additional Parity Obligations, deposits into the Sinking Fund and Reserve Fund are increased in such amounts as are necessary to make payments for the principal of, interest on and reserves for such Additional Parity Obligations. No further payments are required into the Sinking Fund or Reserve Fund when the amounts on deposits therein are at least equal to the total Debt Service Requirement on the Bonds then outstanding, together with redemption premium, if any, then due and thereafter to become due on such Bonds.

Seventh, deposits into the Renewal and Replacement Fund. The Authority is required to deposit an amount at least equal to one-twelfth (1/12th) of 5% of the Gross Revenues received during the immediately preceding Fiscal Year. No further deposits are required when the amount on deposit is equal to $500,000 or such greater amount as shall be recommended by the Consulting Engineer or otherwise determined by the Authority. The moneys in the Renewal and Replacement Fund may only be used for the purpose of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the System, or to supplement the Reserve Fund to prevent a default in the payment of the principal of and interest on the Bonds.

Eighth, funds are next deposited into the Emergency Reserve Fund in an amount equal to 1/12 of the ten percent (10%) of the Maximum Emergency Reserve Amount ($900,000 or such greater amount as the Authority may determine). No further deposits are required once the Maximum Emergency Reserve Amount is reached. The moneys in the Emergency Reserve Fund may only be used for emergency repairs or replacements of the capital assets of the System which have been damaged or destroyed by catastrophes, acts of God or other disasters.

Ninth, moneys are next applied to Unconditional Service Contracts or to debt service requirements for debt obligations junior and subordinate to the Bonds.

Tenth, at the discretion of the Authority, funds may be deposited into the Rate Stabilization Fund in such amounts as the Authority deems necessary or desirable.

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principal payments due on the Bonds on the next semiannual principal payment date (or 1/12 of such principal if payments are due annually).

[3] The Authority may substitute a bond reserve account insurance policy for the cash otherwise required to be deposited in the Reserve Fund, in which case the cash withdrawn may be applied to any lawful purpose of the Authority. Any draws on the Reserve Fund or Reserve Fund Policy must be replenished from monthly Revenues, in the order of priority and timeframes described in Section 3.03(B)(5) of the Master Bond Resolution.

Eleventh, after all of the payments and requirements above have been made, moneys remaining in the Revenue Fund shall be used to pay the City a sum equal to 6% of Gross Revenues for the preceding fiscal year, together with any amounts due and owing the City from a prior fiscal year.

Moneys Held in Accounts Established by Master Bond Resolution

The following table summarizes the amounts on deposit in the referenced funds and accounts established by the Master Bond Resolution. The dollar amounts are derived from the Authority's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2016.

Account Name	**Limitations on Usage**	**Amount**
Capital Improvement Charges	May only be used to cash fund projects for which they were imposed or to pay debt service associated with specific expansion and growth related projects	$5,213,000
Reserve Fund	May only be withdrawn for payment of debt service in the event moneys on deposit in Sinking Fund are insufficient	$5,457,000
Renewal and Replacement Fund	May only be withdrawn to pay for renewal or replacement of capital assets of the System or to supplement the Reserve Fund	$500,000
Emergency Reserve Fund	May only be withdrawn for emergency repairs necessitated by natural disasters	$900,000
	Total:	$12,070,000

In addition, moneys are held in the Sinking Fund for the payment of annual principal and interest on each series of Bonds which may only be spent for that purpose. Such payment amounts accumulate over the course of each fiscal year through monthly deposits in order to satisfy aggregate debt service on all outstanding Bonds, and the balance in the Sinking Fund therefore varies from month to month and from year to year based on the variance in annual debt service requirements as established in the documentation for the respective series of Bonds (i.e. aggregate debt service payments for the Bonds for 2016 was $8,338,000, and thereafter annual payments range from approximately $9,183,000 in 2017 to $22,769,000 in 2022 and beyond).

Section 5.01(T) of the Master Bond Resolution was amended in 2012 to include a liquidity covenant.[4] That section requires the Authority to maintain a minimum balance of available cash which was approximately $9,300,000 as of March 31, 2017.

[4] T. LIQUIDITY COVENANT. The Authority shall maintain, as of September 30 and March 31 of each Fiscal Year, a minimum Days Cash on Hand Ratio of at least 45.

In light of the covenants and debt service requirements outlined above, the amount restricted by the Master Bond Resolution for the benefit of the holders of the Bonds would be approximately $29,708,000 ($8,338,000 in the Sinking Fund + $12,070,000 held in other funds and accounts + $9,300,000 liquidity requirement).

Although not subject to or arising by virtue of the covenants set forth in the Master Bond Resolution, other moneys of the Authority may be classified as restricted in accordance with governmental accounting standards for enterprise funds and utility industry accounting practices. For example, the Comprehensive Annual Financial Report indicates a balance of customer security deposits in the amount of $8,024,000, which amount is not held for the benefit of bondholders but is nonetheless a restricted asset.

ATTACHMENT A

Composite Section 3.03 of the Master Bond Resolution

SECTION 3.03. APPLICATION OF REVENUES. For as long as any of the principal of and interest on any of the Bonds shall be outstanding and unpaid or until (a) there shall have been set apart in the Sinking Fund, herein established, including the Reserve Fund or any subaccounts therein, and in the Bond Amortization Fund, herein established, a sum sufficient to pay when due the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, or (b) provision for payment of the Bonds shall have been made in accordance with the terms of this Resolution and the Bonds shall have been defeased, the Authority covenants with the holders of any and all Bonds as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System shall upon receipt thereof be deposited in the "Utilities Revenue Bonds Revenue Fund" (hereinafter called the "Revenue Fund"), hereby created and established. Capital Improvement Charges shall also be deposited into the Revenue Fund as received.

B. DISPOSITION OF REVENUES. All amounts at any time remaining on deposit in the Revenue Fund shall be disposed of on or before the fifteenth day of each month, commencing in the month immediately following the delivery of any of the Bonds only in the following manner and in the following order of priority:

(1) Capital Improvement Charges, to the extent (a) not legally available to pay debt service on the Bonds and (b) not pledged to pay debt service on the Bonds, shall be deposited into a separate account and used for lawful purposes for such Capital Improvement Charges.

(2) Capital Improvement Charges (a) legally available to pay debt service on the Bonds and (b) pledged to pay debt service on the Bonds shall be deposited (x) into the Sinking Fund, hereinafter created or (y) into a separate account to be used to pay principal of and interest on the obligations to which such Capital Improvement Charges have been pledged.

(3) Revenues shall then be used to pay the current Operating Expenses of the System.

(4) From the moneys remaining in the Revenue Fund, the Authority shall next deposit into a separate fund, which is hereby created and designated "Utilities Revenue Bonds Sinking Fund" (hereinafter called "Sinking Fund"), such sums as will be sufficient to pay (a) one-sixth (1/6) of all interest becoming due on the Bonds on the next semiannual payment date; (b) commencing in the first month which is either six (6) months or twelve (12) months prior to the first maturity date of any Serial Bonds, one-sixth (1/6) or one-twelfth (1/12) of the amount of Serial Bonds which will become due and payable on the next principal maturity date; (c) on a parity with the payments provided in subparagraphs (a) and (b) above, in such sums as are necessary to pay on-twelfth (1/12) of the Compounded Amount of any Capital Appreciation Bonds maturing in such Bond Year; and (d) one-twelfth (1/12) of the Amortization Installment for Term Bonds required to be made on the next annual payment date or one-sixth (1/6) of the Amortization Installment required to be made on the next semiannual payment date into a "Bond Amortization Account," which is hereby created and established in said Sinking Fund. Such payments shall be credited to a separate special account for each series of Term Bonds outstanding, and if there shall be more than one stated maturity for Term Bonds of a series, then into a separate special account in the Bond Amortization Account for each such separate maturity of Term Bonds. The funds and investments in each such separate account shall be pledged solely to the payment of principal of the Term Bonds of the series or maturity within a series for which it is established and shall not be available for payment, purchase or redemption of Term Bonds of any other series or within a series, or for transfer to the Sinking Fund to make up any deficiencies in required payments therein. The Amortization Installments may be due either annually or semiannually, but in any event, the required payments as set forth above shall be made monthly commencing in the first month which is six (6) months or twelve (12)

months, as the case may be, prior to the date on which the Amortization Installment is required to be made pursuant to (c) above.

Upon the sale of any series of Term Bonds, the Authority shall, by resolution, establish the amounts and maturities of Amortization Installments for each series, and if there shall be more than one maturity of Term Bonds within a series, the Amortization Installments for the Term Bonds of each maturity. In the event the moneys deposited for retirement of a maturity of Term Bonds are required to be invested, in the manner provided below, then the Amortization Installments may be stated in terms of either the principal amount of the investments to be purchased on, or the cumulative amounts of the principal amount of investments required to have been purchased by, the payment date of such Amortization Installment.

Moneys on deposit in each of the separate special accounts in the Bond Amortization Account shall be used for the open market purchase or the redemption of Term Bonds of the series or maturity of Term Bonds within a series for which such separate special account is established or may remain in said separate special account and be invested until the stated date of maturity of the Term Bonds. The resolution establishing the Amortization Installments for any series or maturity of Term Bonds may limit the use of moneys to any one or more of the uses set forth in the preceding sentence.

(5) Moneys remaining in the Revenue Fund shall next be applied by the Authority to maintain in a Reserve Fund or any subaccount therein, which Reserve Fund is hereby created and established, a sum equal to the Reserve Fund Requirement on the Bonds secured thereby, which sum shall initially be deposited therein from the proceeds of sale of the Bonds and other funds of the Authority.

Notwithstanding anything herein to the contrary, the Authority may also establish a separate subaccount in the Reserve Fund for any one or more Series of Bonds and provide a pledge of such subaccount to the payment of such Series of Bonds apart from the pledge provided herein. If Bonds are secured separately by a subaccount of the Reserve Fund, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Fund. Moneys in a separate subaccount of the Reserve Fund shall be maintained at the Reserve Fund Requirement applicable to such Bonds secured by the subaccount. Moneys shall be deposited in the Reserve Fund itself and in separate subaccounts in the Reserve Fund on a prorata basis.

Any withdrawals from the Reserve Fund or any subaccount therein shall be subsequently restored from the first moneys available in the Revenue Fund after all required current payments for Operating Expenses, and required payments to the Sinking Fund and Bond Amortization Fund (including all deficiencies in prior payments to those Funds) have been made in full.

Moneys in the Reserve Fund or any subaccount therein shall be used only for the purpose of the payment of maturing principal of or interest on the applicable Bonds, or maturing Amortization Installments on the applicable Bonds, if any, when the other moneys in the Sinking Fund and Bond Amortization Fund are insufficient therefor, and for no other purpose.

Notwithstanding the foregoing, at any time, at the option of the Authority, the Authority may substitute for the cash and Authorized Investments on deposit in the Reserve Fund or any subaccount therein a policy of municipal bond reserve account insurance from an insurance company rated in the highest category by Standard and Poor's Corporation and Moody's Investors Services, Inc. (a "Reserve Fund Policy"). In such event and upon such substitution, the Authority may withdraw such cash and Authorized Investments from the Reserve Fund or any subaccount therein and apply such cash and Authorized Investments to any lawful purpose of the Authority, provide that such cash and Authorized Investments shall not be used or applied in any manner which would affect the exclusion from gross income for federal income tax purposes of interest on any of the Bonds issued under the Resolution.

Notwithstanding anything herein to the contrary, if the rating of the claims paying ability of the issuer of a Reserve Fund Policy on deposit in the Reserve Fund at any time is below the highest ratings category of Standard and Poor's Corporation or Moody's Investor Services, Inc., or such issuer is no longer publicly rated by Standard and Poor's Corporation and Moody's Investor Services, Inc. , the

Authority shall monthly deposit into the Reserve Fund an amount equal to 1/60th of the amount sufficient to cause the cash and/or Authorized Investments on deposit in the Reserve Fund (without regard to amounts available under the Reserve Fund Policy) to equal the applicable Reserve Fund Requirement calculated as of October 1, 2017, which such amounts shall be restored not later than sixty (60) months after the date of such deficiency (assuming equal monthly payments into the Reserve Fund for such sixty (60) month period). If the amount of the Reserve Fund Requirement increases during such sixty (60) month period, the monthly deposits shall be proportionately increased so that the cash and/or Authorized Investments in the Reserve Fund will equal the new Reserve Fund Requirement by the end of such original sixty (60) month period. Notwithstanding anything herein to the contrary, in the event that both cash and a Reserve Fund Policy are on deposit in the Reserve Fund, any withdrawals from the Reserve Fund shall first come from cash on deposit in the Reserve Fund prior to drawing upon a Reserve Fund Policy. Any payments into the Reserve Fund shall be used first to reimburse the issuers of any Reserve Fund Policies, on a pro rata basis, for amounts paid thereunder together with any other amounts owing to such issuers and then, after all such amounts have been paid, to replenish the cash available in the Reserve Fund. This paragraph shall not apply to any subaccounts created in the Reserve Fund, including without limitation the 2009 Reserve Fund Subaccount. Moneys shall be deposited in the Reserve Fund itself and in separate subaccounts in the Reserve Fund on a prorata basis.

In the event of any such substitution or otherwise if a Reserve Fund Policy is in effect for all or a portion of the Reserve Fund Requirement for the Reserve Fund or any subaccount therein, after any drawdown on the Reserve Fund Policy, the pro rata portion of the first available Net Revenues to be deposited to the Reserve Fund or any subaccount therein, after the payment of amounts required under paragraphs (3) and (4) above, shall be used to restore such Reserve Fund Policy to its original amount prior to such drawdown (including the payment of any interest on such drawdown due the provider of such Reserve Fund Policy) prior to the repayment of cash or Authorized Investments, if any, in the Reserve Fund or any subaccount therein containing such Reserve Fund Policy.

The provisions relating to the procedures for draws under a Reserve Fund Policy and any additional covenants for the benefit of the provider of such Reserve Fund Policy shall be set forth in a resolution supplemental hereto or in the guaranty or other agreement providing for the delivery of such Reserve Fund Policy and for the obligation of the Authority to repay amounts drawn under such Reserve Fund Policy.

(6) Upon the issuance of any Additional Parity Obligations under the terms, limitations and conditions as are herein provided, the payments into the several funds in the Sinking Fund and, if Term Bonds are issued, into the Bond Amortization Fund, and the Reserve Fund or any subaccount therein, shall be increased in such amounts as shall be necessary to make the payments for the principal of, interest on and reserves for such Additional Parity Obligations and, if Term Bonds are issued, the Amortization Installments, on the same basis as hereinabove provided with respect to the 1985A Bonds initially issued under this Resolution.

The Authority shall not be required to make any further payments into the Sinking Fund, Bond Amortization Fund or Reserve Fund or any subaccount therein when the aggregate amount of money in both the Bond Amortization Fund, the Sinking Fund and the Reserve Fund and any subaccount therein are at least equal to the total Debt Service Requirement of the Bonds then outstanding, plus the amount of redemption premium, if any, then due and thereafter to become due on such Bonds then outstanding.

(7) The Authority shall next apply and deposit monthly from moneys in the Revenue Fund into a special account to be known as the "Utilities Revenue Bonds Renewal and Replacement Fund" (hereinafter called the "Renewal and Replacement Fund") which fund is herein created and established, an amount equal to one-twelfth (1/12) of five per centum (5%) of the Gross Revenues received during the immediately preceding Fiscal Year, such deposit to be continued to be made for the purpose of this account; provided that no deposit shall be required to be made so long as there is an amount on deposit in the Renewal and Replacement Fund the amount of $500,000 or such greater amount as shall be recommended by the Consulting Engineer or otherwise determined by the Authority. The moneys in the Renewal and Replacement Fund shall be used only for the purpose of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the System. Such moneys on

deposit in such fund shall also be used to supplement the Reserve Fund and any subaccount therein, if necessary in order to prevent a default in the payment of the principal of and interest on the Bonds. Except to prevent a default in payment of principal and interest on the Bonds as hereinafter provided, no expenditure may be made from deposits in the Renewal and Replacement Fund without the affirmative approval of the Authority voting at a regular or special meeting of the Authority.

(8) The Authority shall next apply and deposit monthly from moneys in the Revenue Fund into a special account to be known as the "Utilities Revenue Bonds Emergency Reserve Fund" (hereinafter called the "Emergency Reserve Fund") which fund is herein created and established, an amount equal to one—twelfth (1/12) of ten percent (10%) of the Maximum Emergency Reserve Amount; provided that no deposit shall be required to be made so long as there is an amount on deposit in the Emergency Reserve Fund equal to the Maximum Emergency Reserve Amount. The moneys in the Emergency Reserve Fund shall be used only for the purpose of paying for emergency repairs or replacements of the capital assets of the System which have been damaged or destroyed by catastrophes, acts of God or other disasters.

Whenever the amount on deposit in the Emergency Reserve Fund exceeds the Maximum Emergency Reserve Amount the excess may be withdrawn from the Emergency Reserve Fund and deposited into the Revenue Fund.

(9) The Authority shall next apply moneys in the Revenue Fund to the payment of (a) payments required to be made under Unconditional Service Contracts or (b) to current debt service requirements for any obligations of the Authority issued to finance the cost of additions, acquisitions, extensions and improvements to the System which are junior and subordinate to the lien of the 1985A Bonds and any Additional Parity Obligations on the Net Revenues.

(10) Moneys on deposit in the Revenue Fund may, in the discretion of the Authority, next be deposited into a special account to be known as the Rate Stabilization Fund in such amounts as the Authority deems necessary or desirable. Each month the Authority shall transfer from the Rate Stabilization Fund to the Revenue Fund the amount budgeted for transfer into such Fund for the then current month as set forth in the current Annual Budget or the amount otherwise determined by the Authority to be deposited into such Fund for the month.

(11) After all of the payments and credits required under paragraphs 1 through 10 above have been made, to the extent available, the moneys remaining in the Revenue Fund shall next be used to pay to the City each year a sum equal to six (6) per cent of the gross revenues as hereinafter defined, derived from the operation of the System for the preceding fiscal year unless the City Commission, by majority vote, agrees to accept a lesser percentage, plus any amounts which continue to be due and owing to the City under this paragraph 11 from a prior fiscal year. This sum shall be paid on or before sixty (60) days after approval and acceptance of the audit for such fiscal year by the City Commission. "Gross revenue," for this purpose only, means all the income derived from retail sales of electricity and gas; wholesale and retail sales of wastewater disposal; wholesale and retail sales of water; gains on sales of assets, interest, rents, royalties, dividends, and management fees. Where a power cost adjustment or purchased gas adjustment is utilized, "gross revenues" shall mean the amount billed based upon the applicable rate without a debit or credit for the cost adjustment. The power cost included in the applicable (base) rate for purposes of calculating "gross revenues" prior to the effective date of Resolution No. U.A. 2012-01 has been $49.522 per megawatt hour ("MWh"), and shall become $79.522 per MWh on and after the effective date of Resolution No. U.A. 2012-01. The gas cost included in the applicable (base) rate for purposes of calculating "gross revenues" prior to the effective date of Resolution No. U.A. 2012-01 has been $0.33 per hundred cubic feet ("ccf"), and shall become $0.50 per ccf on and after the effective date of Resolution No. U.A. 2012-01. Thereafter, moneys remaining in the Revenue Fund shall be used for any lawful System purpose; provided, however, on or before September 30, 2014, the Authority may make a loan or loans to the City in an aggregate amount not to exceed $1,250,000, based on terms mutually acceptable to the City and the Authority. Such loans, if accepted, shall be repaid by withholding loan repayments from amounts which are otherwise scheduled to be paid by the Authority to the City pursuant to this paragraph (11) in the fiscal years ended September 30, 2015 through and including 2019.-

(12) Moneys on deposit in the Revenue Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State of Florida. Moneys on deposit in the Revenue Fund, the Sinking Fund and Bond Amortization Fund may be invested and reinvested only in Investment Securities, maturing not later than the date on which the moneys therein will be needed. Moneys to the credit of the Reserve Fund or any subaccount therein, the Renewal and Replacement Fund and the Emergency Reserve Fund may be invested and reinvested in Investment Securities, maturing as determined by the Authority. Any and all income received by the Authority from such investments as above described shall be deposited into the Revenue Fund.

(13) The designation and establishment of the various funds in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain moneys and investments for certain purposes and to establish certain priorities for application of such moneys and investments as herein provided. The moneys and investments required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single fund or account, provided that adequate accounting records are maintained to reflect the allocation of the moneys and investments on deposit therein into each of the funds and accounts established hereunder and to control the restricted uses of such moneys and investments for the various purposes as herein provided.

Charter Review Commission **4.c.**

Meeting Date: 10/18/2017

Re:

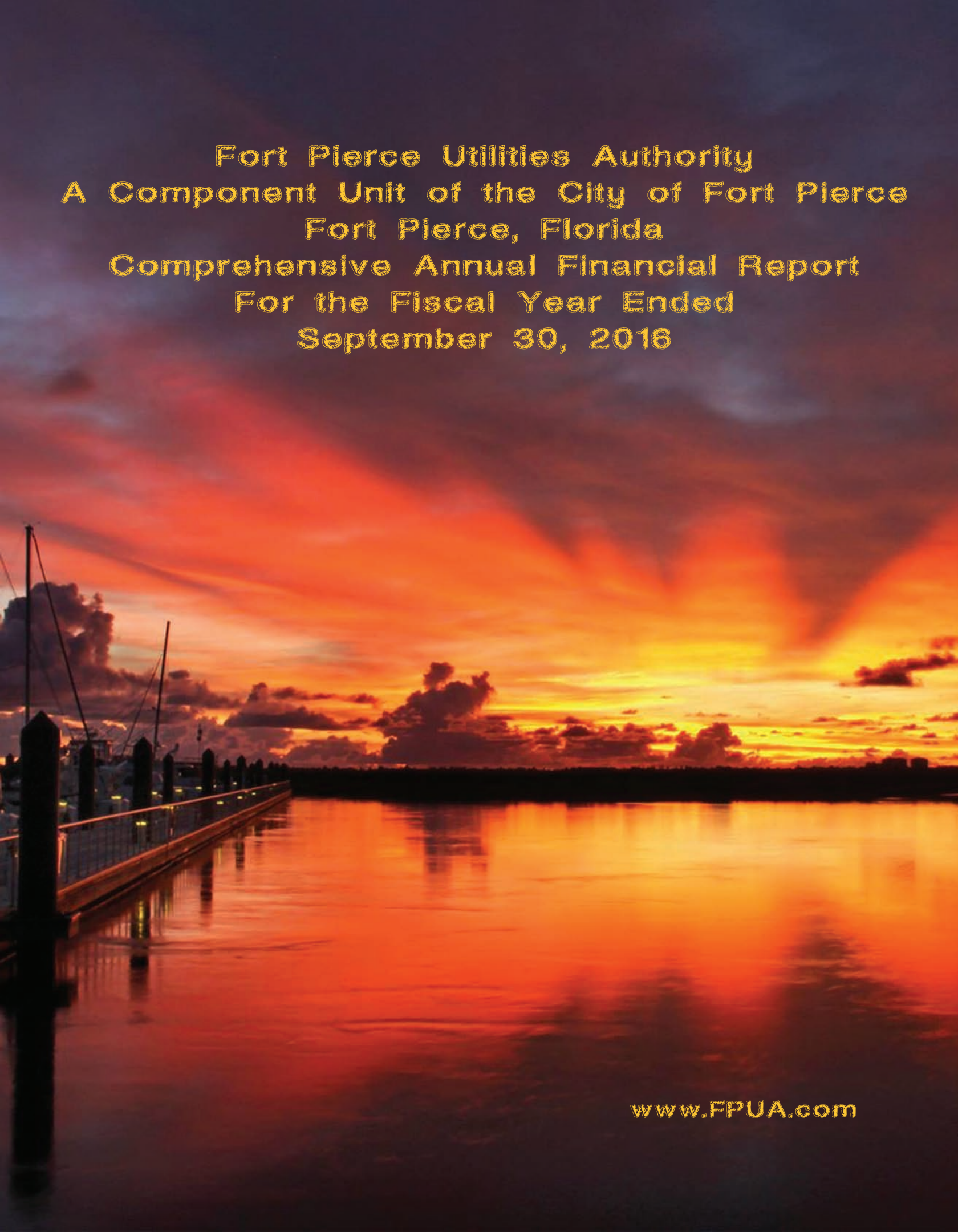
SUBJECT:

Identify all FPUA and City of Fort Pierce Revenue Streams

Attachments

FPUA CAFR

FPUA Capital Budget



Fort Pierce Utilities Authority
A Component Unit of the City of Fort Pierce
Fort Pierce, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended
September 30, 2016

www.FPUA.com

FORT PIERCE UTILITIES AUTHORITY

A Component Unit of the City of Fort Pierce, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2016

Prepared by
Department of Finance

Nina B. Penick, CPA
Director of Financial Services
npenick@fpua.com

FORT PIERCE UTILITIES AUTHORITY

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2016

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Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2016

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TeamUA - Over 2,700

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KATHARINE ANNE ALFORD
WILLIAM A ANDERSON
TINA ATTEY
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S LANCE BRICK
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RAE LYNN DE BOER
D WAYNE DEARMAN
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KYLE HOLMAN
DEWEY W HUDMAN
LINDA HUDSON
TIMOTHY J HUGHES
LESTER C HUMMEL
BOWDOIN G HUTCHINSON
MARCUS T JACKSON
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PAUL A JAKUBCZAK
SIDNEY L JERGER
SIDNEY LEVON JERGER
CAROL JOHNSON
CHONTAE L JOHNSON
CHRISTOPHER JOHNSON
ANA MARIA JOHNSON
TERRY RODNEY JOHNSON
MICHAEL D JONES
ROBERT JONES
WILLIAM R KAEFF
TERRY L KECK
ADAM KEE
MARTHA ANNE KERR

Years of Dedicated Service

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MARK KOBBE
JENNIFER KRIP
KUPER KRUEGER
ALICE M LADOMIRAK
PAUL LAGUERRE
JOSEPH L LAMMERS
DONALD T. E. LANDIN
DOMINIC F LANE
EDWARD S LEONGOMEZ
JOHN RICHARD LILLY
CLAYTON W LINDSTROM
ERIN B LOMAX
THELMA PATRICIA LOPEZ
SCOTT LOVEN
PAUL C LUGARA
ALAN LUNA
PAUL L MADSEN
WANDA MAGNUSON
WILLIAM H MAIN
TAMMY R MALIN
GLEN P MANCHESTER
FRED MANN
LAURIE ANN MARTIN
MICHAEL J MARTIN
MELISSA MARTIN
FLORINDA K MAZZARELLA
TOMMIE V MC CARTHY
NANCY L MC CONKEY
TERRANCE MC MILLON
KEVIN SERON MCDONALD
DANIEL MCKINLEY
JOHN W MCMILLIAN
STONEY X MCPEEK
BARBARA A MIKA
GEORGE E MILLER
JOSHUA J MILLER
JASON M MITTLER
REGINA D MORRIS
KENNETH JERROD MORRIS
LARRY MIKEL MORRISON
STEVEN MOSELY
MICHAEL J MULVANEY
STEVEN MURTO
CHRISTELLE MYRICK
RUFUS NELSON
DINO G NESSELRODE
WILLIAM D NORTON
KIMBERLY E OKUBO
PAUL JOHN OLEKOSKI
SHANNON ONDERLINDE
JOHNNY ORTIZ
SHANE OSTRANDER
NANCY J PALKA
THOMAS E PARKER
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DARIN PATTERSON
ERIC PEARSON OLIVO
NINA B PENICK
MICHAEL A PERRI
RICHARD G PETERSEN
RONNIE PREBILSKY
TONY TREAYMAN PRICE
QUINCY ALLEN PRICE
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DOUGLAS A PUPARD
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FRANCISCO RAMOS
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TESSA KATHLEEN ROBERTS
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SAL ANTHONY SCIMECA
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HARRY SHERVA
JOSHUA SHOLANDER
JACK R SHONK
DONNA SHURR
CARMELO SIGNORELLI
STERLING R SIMMONS
IRA SINGH
VALENTIME C SIRMONS
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EILEEN SNOBERGER
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BRIAN KEITH STEPHENS
KURTIS D STRAND
CHARLES S SWINDLE
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WILLIAM TAYLOR
KIMBERLY L TAYLOR
DEBRA THERIAULT
MARY E THOMAS
DARRYL R THOMAS-BEY
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JOHN K TOMPECK
LARRY W TYNDALL
MASON TERRELL URSO
OSVALDO VALDES
LOUDWIN VASQUEZ
ROBERT W VAUGHN
CHRISTOPHER VELARDO
EVELYN I WALKER
KARISSA NASTASHIA WARE
PETER WICINSKI
JUDITH ANN WIDMAYER
EDMOND WILLIAMS
STACEY WILLIAMS
ESTELA M WILSON
OLIVER C WINT
ERIC R WINTERSTEIN
LOIS A WOLFE
SHARON WOLKOWICZ

Fort Pierce Utilities Authority

"To provide our customers with economical, reliable and friendly service

Fort Pierce Utilities Authority employees have “enhanced the quality of life in our

2-1-1 Treasure Coast
4-H St. Lucie County
Agape Senior Citizen Recreational Center
Alzheimer's Community Care
American Cancer Society
American Diabetes Association
American Legion
American Red Cross
Angel Food Ministries
ARC of St. Lucie County
ASA Girls Fast Pitch Softball
Backus Gallery
Bat and Ball Club of St. Lucie County
Big Brothers/Big Sisters
BlueBird Educational Foundation
Bowling for Kids Sake
Boys & Girls Club of St. Lucie County
Boy Scouts of America
Calvary Chapel
C.A.S.T.L.E.
Children Home Society's WaveCREST Shelter
Children's Miracle Network
Children's Servics Council
Christ Family Church
Club Utilitas, Inc. Teen Center
Common Ground Vineyard Church
Conservation Alliance of SLC
Council On Aging of St. Lucie County
Deaf & Hard of Hearing Services of the TC
Dogs & Cats Forever
Downtown Business Association
Drug Abuse Treatment Association, Inc. (DATA)
Early Learning Coalition
Elks Little League Field
Engineering Ministries International
Exchange Club
Family Fun Day Lawnwood Stadium
Family Meals
Florida Army National Guard
Florida's Blood Centers
Florida Engineering Society
Florida March of Dimes Foundation
Florida Water Environment Assoc. (FWEA)
Food for Families
Girl Scouts of the USA
Great American Cleanup
Green Committee
Groovin' & Tastin'
H.A.N.D.S.
Habitat for Humanity
Harvest Food & Outreach Center
Healthy Start Coalition of St. Lucie County
Heathcote Botanical Gardens
Hibiscus Children's Center
Highwaymen
Hospice of the Treasure Coast
Jack and Jill of America
Kids Crossing Playground Build
Kids at Hope
Kiwanis Clubs
Knights of Columbus
Leadership Saint Lucie
Life Builders of the TC
Lincoln Park Main Street
Main Street Fort Pierce
Marine Corp League

Mission Statement

in a continuous effort to enhance the quality of life in our community"

community" by contributing their time and service to the following organizations:

Manatee Observation and Education Center (MOEC)
Moore's Creek Clean Up
Multicultural Resource Center
Muscular Dystrophy Association
Mustard Seed Ministries
Nature Fest
Navy UDT-SEAL Museum
Northside Bat and Ball Club
Oxbow Eco-Center
Oyster Fest
PACE Center for Girls, TC
Parent Academy
Pilot Club of Fort Pierce
Police Athletic League (PAL)
Port St. Lucie Athletic Association
Port St. Lucie American Little League
Port St. Lucie National Little League
Port St. Lucie Police Department
Port St. Lucie Power Squadron
Pregnancy Resources
Relay for Life
Restoring the Village
Rotary Clubs
Roundtable of St. Lucie County
Safe Space of St Lucie
SAFER SLC
Saint James Christian Academy
Salvation Army Christmas Angels
Sandy Shoe Festival
Sarah's Kitchen
Save Our Children
Save the Chimps
St. Jude Children's Research Hospital
St. Lucie County Chamber
St. Lucie County School Board
St. Lucie County Economic Development Council
St. Lucie County Fair Association
St. Lucie County Harbor Advisory Committee
St. Lucie County Harbor Advisory Committee
St. Lucie County Human Resources Association
St. Lucie County Schools
St. Lucie County Sheriff
St. Lucie County Toys for Tots
St. Lucie Panthers Softball Organization
Sea-Life Habitat Improvement Project
Southwestern Port St. Lucie Little League
Susan G Komen - Strides Against Breast Cancer
The Parent Academy
The Royal Palms of St. Lucie
The Van Duzer Foundation
The Worship Center International Ministries
Toastmasters International
Treasure Coast Blood Bank
Treasure Coast Education & Research Development
Treasure Coast Environmental Education Council
Treasure Coast Food Bank
Treasure Coast Manatee Foundation
Treasure Coast Renegades Youth Football
Treasure Coast Waterway Clean Up
Tri County Animal Hospital
United Way of St. Lucie County
Winners Walk Tall


FORT PIERCE
UTILITIES AUTHORITY

500 Boston Avenue (34950)
PO Box 3191, Fort Pierce, FL 34948

Phone: 772.466.1600, Ext. 3298
Fax: 772.467.2504

Director of Financial Services

"Committed to Quality"

March 15, 2017

Board Members
Fort Pierce Utilities Authority

The Comprehensive Annual Financial Report (CAFR) of Fort Pierce Utilities Authority (FPUA) for the fiscal year ended September 30, 2016, is submitted herewith pursuant to the City of Fort Pierce Charter, Article XII, Section 176 (12) and the bond covenants of FPUA's outstanding revenue bonds.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

DiBartolomeo, McBee, Hartley & Barnes, P.A., Certified Public Accountants, have issued an unqualified ("clean") opinion on FPUA's financial statements for the fiscal year ended September 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

FPUA PROFILE

FPUA was established in accordance with provisions of the City Charter, confirmed by an election held on May 30, 1972. The City Charter, Article XII, Section 169, states that FPUA shall be responsible for the development, production, purchase, distribution, and collection of all electricity, water, wastewater, natural gas, and such other utility services as may be designated by resolution by the City Commission. FPUA is a component unit of the City of Fort Pierce, Florida and this report includes all systems of FPUA. This report does not include the financial activities of the City of Fort Pierce. Reference should be made to the City's report published separately.

The FPUA Board consists of five members, one of whom is the Mayor-Commissioner of the City, who serves on the Board as long as he or she holds such office. The other four members are appointed by the City Commission for four-year overlapping terms, limited to two consecutive terms of office.

The Electric, Water, Wastewater, and Gas Utility Systems, Manatee Observation and Education Center (MOEC), and FPUAnet Communications are managed and operated for the City by FPUA. FPUA also operates the Treasure Coast Energy Center (TCEC) for the Florida Municipal Power Agency (FMPA) on a contract basis, utilizing FPUA employees.

The **Electric System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 35 square miles, with an average of 28,299 services billed during the fiscal year ended September 30, 2016. FPUA currently has 16 miles of 69kV and 7.5 miles of 138kV transmission lines. The 69kV lines interconnect six sub-transmission substations and the 138kV lines connect two transmission substations to FPL and the City of Vero Beach. FPUA and the City of Vero Beach jointly own the 138kV line from Emerson Substation to County Line Substation. FPUA primary distribution has approximately 266 miles of overhead and 151 miles of underground cable which operates at 13.2kV. FPUA and FPL have a territorial agreement approved by the Florida Public Service Commission.

On December 16, 1997, FPUA agreed to participate in the FMPA All-Requirements Power Supply Project (ARP). In doing so, FPUA is one of 13 municipally owned utilities in the ARP. The principal benefits of ARP are:

1. Lower operating costs through utilization of the most efficient generation available.
2. Future generation will be planned for the collective systems, as needed, by FMPA.
3. Economies of scale in operating, planning, and financing.
4. Lower risk with more units and more cities working together.

As of January 1, 1998, FPUA assigned its resources to the ARP and agreed to purchase its total power requirements from the ARP. FPUA's resources, which have been assigned, include the contracts with FMPA related to Stanton Unit No. 1 (Stanton and Tri-City Projects) and Stanton Unit No. 2. The contracts related to the St. Lucie Nuclear Project have not been assigned.

The **Water System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 32 square miles, with an average of 20,079 services billed during the fiscal year ended September 30, 2016. Water supply is obtained from 36 surficial aquifer wells (shallow) and 11 Floridan aquifer wells (deep). FPUA currently has a Water Use Permit from the South Florida Water Management District to withdraw an annual daily average not to exceed 21.13 million gallons of ground water. Treatment of the raw ground water is presently accomplished through a 20 million gallons per day (MGD) conventional Lime Softening Water Treatment Plant and a 10.3 MGD Reverse Osmosis Water Treatment Plant. FPUA owns and operates a 13.3 MGD air stripping system which services the lime-softening portion of FPUA's Water Treatment Facility. FPUA meets all federal and state drinking water standards. FPUA has 9 million gallons of storage capacity. The water distribution system is composed of 385 miles of water mains, remote pumping facilities, ground storage tanks, hydrants, and valves.

The **Wastewater System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 30 square miles, with an average of 15,069 services billed during the fiscal year ended September 30, 2016. The wastewater collection system consists of 116 lift stations, 172 miles of gravity sewer lines ranging from 4 to 48 inches in diameter, and approximately 97 miles of force mains ranging in size from 1.5 to 24 inches in diameter. The Island Water Reclamation Facility (IWRF) currently has a permitted capacity of 10 MGD for Annual Average Daily Flow and 11.5 MGD for 3-Month Annual Average Daily Flow. On December 11, 2012, the Florida Department of Environmental Protection issued the operating permit, which is anticipated to be adequate through December 10, 2017.

FPUA has one domestic deep injection well at the IWRF plant site. A pumping station injects treated effluent into the 3,300-foot deep injection well for disposal. The permit for the IWRF IW-1 well, a twenty-four inch domestic well, is currently being renewed for the next 5-year permit cycle through 2022. There are two deep injection wells located on the site of the future Mainland Water Reclamation Facility (MWRF), in the southwest corner of the service area. IW-1 is an 18-inch industrial deep injection well and IW-2 is a 24-inch domestic deep injection well. IW-1 accommodates the TCEC's industrial wastewater stream and St. Lucie County landfill leachate, and is permitted through August 4, 2020. The IW-2 well is currently not in operation and therefore is not permitted. Both wells can be utilized for disposal of MWRF effluent when that facility is constructed.

The **Gas System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 27 square miles, with an average of 4,166 services billed during the fiscal year ended September 30, 2016. The Gas System purchases firm gas for resale through Florida Gas Utility (FGU). FGU has a contract with Florida Gas Transmission for the transportation of gas to FPUA's system. Gas purchases are supplied by FGU under an all requirements agreement. The Gas Operations Department is responsible for the installation and maintenance of all gas mains and service lines. The department also employs a staff of qualified gas service technicians to maintain and repair customers' natural gas appliances.

FPUAnet Communications provides high quality, state-of-the-art fiber optic and wireless communication services, including Dedicated Fiber Internet Access and Optical Fiber Links, such as Dark Fiber and Bandwidth Connections to businesses and institutions. Wireless Broadband Internet and Wireless Bandwidth Connections are offered at less cost than fiber services, for applications with less stringent requirements. As founder and leading member of the Research Coast Communications Technology Alliance, FPUAnet Communications seeks to interconnect the five-county region.

FPUA operates the **Manatee Observation & Education Center (MOEC)**, which is located on Moore's Creek east of Indian River Drive. MOEC's mission is to promote understanding and responsible actions for the protection of the fragile ecosystems in the Treasure Coast Region and its inhabitants. It provides a clean and safe facility for viewing manatees and other inhabitants of the Indian River Lagoon. Over 39,257 visitors from all over the world visited the Center during fiscal year 2016. A total of 438 manatees were sighted. Volunteers provided a substantial donation to the Center with a total of 12,199 hours of volunteer time.

FPUA is required to prepare, adopt, and furnish a copy to the City Commission of the City of Fort Pierce an annual budget at least 45 days prior to the beginning of the next fiscal year. The annual budget and any amendments thereto shall be in effect when approved by FPUA and when any line item expense has not been disapproved by four-fifths (4/5) vote of the City Commission within 30 days of submission. The budget is prepared on the accrual basis. The budget and amendments thereto for the year ended September 30, 2016, have been approved according to the above procedures.

LOCAL ECONOMY

Fort Pierce is located on Florida's east coast, 120 miles north of Miami and 220 miles south of Jacksonville. The estimated 2016 populations of the City of Fort Pierce and St. Lucie County were 42,489 and 292,826 respectively. Fort Pierce is the commercial center of the county, with approximately 24.5 square miles in land area. Its metropolitan area includes a transportation network comprised of Interstate 95, Florida's Turnpike, U.S. Highway 1, State Roads 68 and 70, Florida East Coast Railway, Treasure Coast International Airport, and the Port of Fort Pierce.

FPUA's service area includes both the area within the corporate limits of the City of Fort Pierce and the Town of St. Lucie Village, and portions of unincorporated St. Lucie County. Approximately 81% of the system revenues are derived from services provided within the City of Fort Pierce, and 19% from services provided in the Town of St. Lucie Village and unincorporated St. Lucie County.

The economy of Fort Pierce and surrounding St. Lucie County is primarily based upon government, agriculture, construction, retail and wholesale trade, light manufacturing, tourism, biotechnology, and sport and commercial fishing. There are several telemarketing service centers, commercial centers, research institutions, and a Walmart Distribution Center located in the area.

St. Lucie County continues to develop a 1,800-acre State recognized Research and Education Park in FPUA's service territory. Florida State University has a Regional Medical School Campus located at Indian River State College, which now offers numerous Bachelor's Degree Programs.

FPUA's service area is developing into an educational and research center featuring the following facilities:

- Indian River State College (IRSC)
- Florida Atlantic University (FAU)/Harbor Branch Oceanographic Institution
- Smithsonian Fort Pierce Marine Station
- Smithsonian Marine Ecosystem Exhibit
- U.S. Department of Agriculture/Horticultural Research Laboratory
- University of Florida/Institute of Food and Agricultural Sciences (UF/IFAS) Research and Education Center
- Manatee Observation and Education Center

The real estate market has shown some signs of improvement during fiscal year 2016. Although current development activity in the area is limited, FPUA is optimistic about growth in the long term. Even though many properties remain vacant, sales activity has picked up and some properties are being renovated and subsequently occupied. Improvements such as major roadwork, continued beautification of the downtown area, and private investment make the area attractive to new residents. Reconstruction of the City Marina outer docks damaged in the 2004 hurricanes is expected to provide an economic boost to the downtown area.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

Rate Planning

Rate sufficiency has been projected for the upcoming five years. Rate adjustments will be made in future years to ensure FPUA's electric, water, wastewater, and natural gas utilities each generate sufficient revenue to cover their respective expenses, while maintaining a minimum 45 days of operating cash as defined by FPUA bond covenants. A power cost adjustment (PCA) and purchased gas adjustment (PGA) are adopted as needed by the FPUA Board to ensure FPUA is recovering the cost of energy, and stabilize the amounts billed to customers.

Capital Planning

FPUA's capital renewal, expansion, and improvements continue. Capital plans are projected for the upcoming five years, and are primarily driven by replacement of aging infrastructure, as well as street and highway reconstruction projects. The multiplicity of requirements by regulatory agencies increases the amount FPUA budgets for those improvements. Most replacements increase costs and provide no additional revenue, but are expected to have a positive impact on operations and maintenance expenses. Receipt of contributed capital helps fund the infrastructure needed to support growth in the future. In an effort to strategically expend FPUA's limited resources, Department Heads meet periodically with other governmental agencies to discuss and update capital plans and coordinate implementation of those plans.

Strategic Management Planning

FPUA's Strategic Plan continues to promote communication and cooperation, and encourages increased employee involvement in achieving company goals that support FPUA's Mission Statement:

"To provide our customers with economical, reliable, and friendly service in a continuous effort to enhance the quality of life in our community."

Periodically, workshops are held to re-evaluate the key result areas (KRA's) for FPUA focus, as the organization moves forward. Participants in the workshop include the FPUA Board, key FPUA staff, and members of the Fort Pierce City Commission. KRA's and the corresponding goals and objectives most recently identified are as follows:

Improve Efficiency and Cost Effectiveness – Efforts continue toward automating workflows and eliminating redundant processes where possible. As FPUA strives to build a competitive attitude within the organization, it has been recognized that the benefits of past efforts have resulted in the ability to lower electric rates.

Improve Customer Education and Outreach – Regardless of the positive changes made at FPUA over recent years, public perception of the organization may not be fully aligned with reality. It is important to effectively communicate actions FPUA is taking to achieve goals associated with the mission statement. This may be accomplished by promoting community involvement through educational programs and environmental stewardship.

Increase Revenues – Although FPUA has successfully cut costs throughout the organization, staff recognizes that the same impact on the bottom line can be achieved by increasing revenues. Some areas to be considered are developing new services and products, as well as encouraging development and re-development of areas within the FPUA service territory. This will be accomplished through more aggressive marketing programs and implementation of economic development incentives.

Workforce Development – As FPUA's workforce ages, it is critical to attract, retain and promote the most qualified employees within the organization. It is also important to improve motivation and morale as staff is continually being asked to do more with less.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to FPUA for its CAFR for the fiscal year ended September 30, 2015. This was the 22nd consecutive year FPUA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

FPUA also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 25, 2016. To qualify for the Distinguished Budget Presentation Award, FPUA's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report could not have been accomplished without the skill, effort, and dedication of the entire staff of FPUA's Department of Finance. I would also like to express my thanks to the Board, the Director of Utilities, and the entire FPUA staff for their interest and support in planning and conducting the financial operations in a responsible and progressive manner.

Respectfully submitted,



Nina B. Penick, CPA
Director of Financial Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fort Pierce Utilities Authority

Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

FPUA Leadership

Board Members



Michael A. Perri, Jr.
Chairman



Glynda Cavalcanti, CPA
Vice Chairman



Daniel M. Delulio, CPA
Secretary



Darryl Thomas-Bey
Deputy Secretary



Linda Hudson
Mayor

Management Team

Clayton W. Lindstrom, P.E., Director of Utilities
Paul A. Jakubczak, P.E., Director of Electric & Gas Systems
Valerie A. Schulte, P.E., Acting Director of Water/Wastewater Systems
Evelyn I. Walker, Director of Shared Services
Nina B. Penick, CPA, Director of Financial Services

Counsel

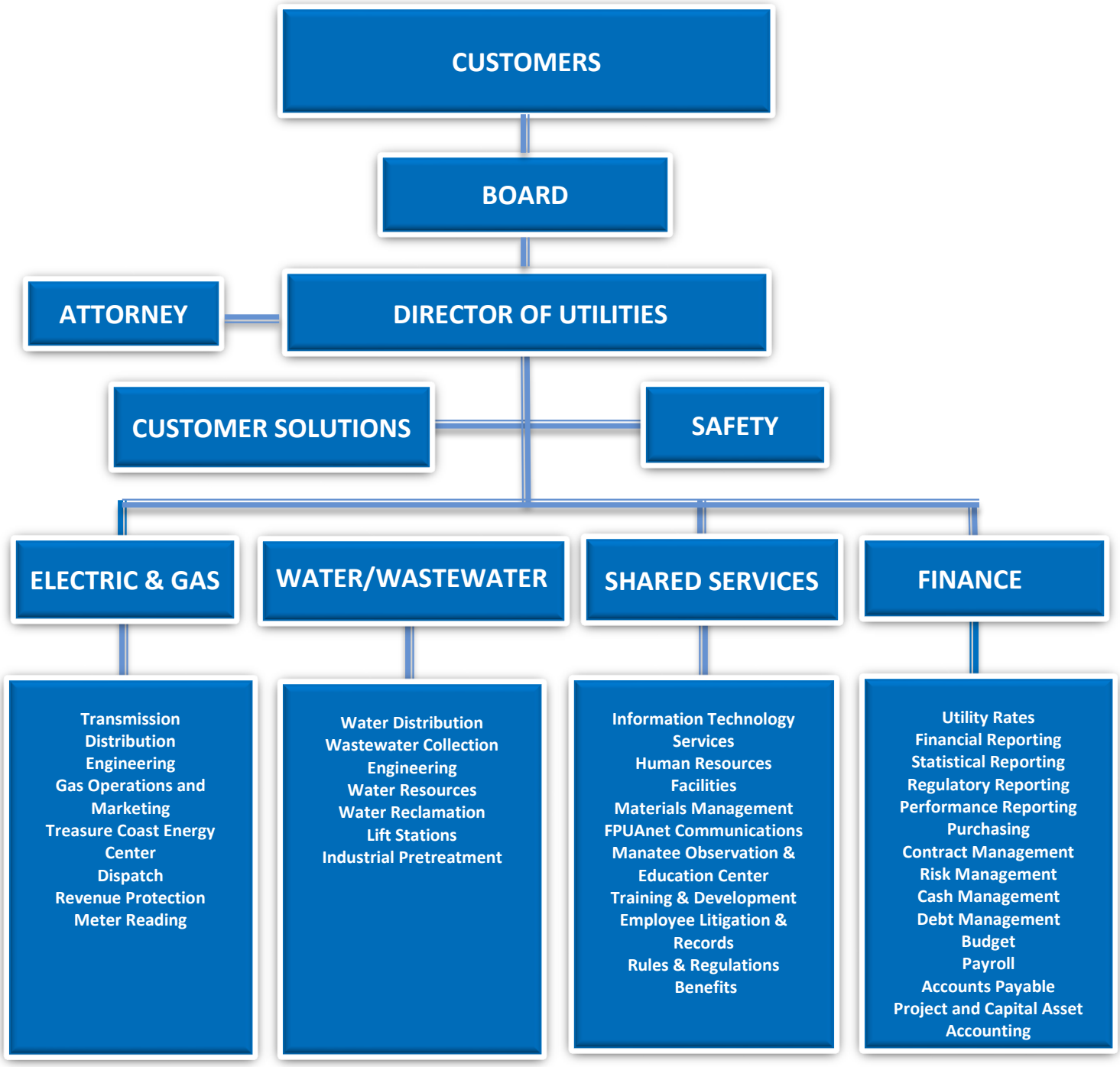
R.N. Koblegard, III, Esquire

Independent Certified Public Accountants

DiBartolomeo, McBee, Hartley & Barnes

FORT PIERCE UTILITIES AUTHORITY

Organizational Structure




FORT PIERCE
UTILITIES AUTHORITY

INDEPENDENT AUDITOR'S REPORT

Board Members
Fort Pierce Utilities Authority
Fort Pierce, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Fort Pierce Utilities Authority ("FPUA"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise FPUA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to FPUA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FPUA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of FPUA, as of September 30, 2016, and the respective changes in financial position and the cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2017, on our consideration of FPUA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FPUA's internal control over financial reporting and compliance.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
February 23, 2017


FORT PIERCE
UTILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Fort Pierce Utilities Authority (FPUA), we offer readers of FPUA's financial statements this narrative overview and analysis of the financial activities of FPUA for the fiscal year ended September 30, 2016 (FY 2016). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

FINANCIAL HIGHLIGHTS

- Operating revenues increased $2,863,000 over last year, and operating expenses increased $3,719,000. Operating income of $10,169,000 was down $856,000 from $11,025,000, which was reported for the previous year.
- The ability to adjust rates in order to ensure that FPUA's electric, water, wastewater and natural gas utilities each generate sufficient revenue to cover their respective expenses is critical to FPUA's financial health. A water rate adjustment was implemented in June 2016. This adjustment is described in detail on page 20. Rates will continue to be reviewed on an annual basis to ensure that FPUA's rate structure properly reflects the recovery of the cost of operating and maintaining each utility system.
- Natural gas prices remain at historically low levels. As a result, the cost of natural gas purchased for resale was down $356,000 or 19.1% in FY 2016, but the cost of power purchased from FMPA increased $1,836,000 or 4.6%.
- Water operating revenues were up 5.0% from FY 2015. Excluding the recovery of purchased power and gas costs, operating revenues from the electric system were up 2.7%, and down 3.1% in the gas system. Operating revenues from the wastewater system increased 1.7%. Consumption billed by the electric and water systems increased by 3.0% and 2.6% respectively. Gas unit sales decreased 3.2%. The number of wastewater gallons billed, as well as the average number of services billed in all utility systems, were flat.
- On March 4, 2016, FPUA issued Utilities Refunding Revenue Bond, Series 2016 at an interest rate of 2.14% to provide for the redemption of Utilities Revenue Bonds, Series 2002 with an interest rate of 5%. In conjunction with this refunding, FPUA has made the remaining transfers to its Debt Service Reserve account, which was prior to the previously agreed-upon completion date of January 2017. The net present value savings is calculated to be $2,466,000. Additional information on FPUA's revenue bonds payable can be found in Note F.
- The remediation of the former site of the H.D. King Power Plant is now complete. No future costs associated with testing and cleanup of the site are anticipated, and the Fort Pierce Redevelopment Agency continues to recover some of the cost through the sale of Voluntary Cleanup Tax Credits. See Note P for details.
- FPUA continues to be impacted by the implementation of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68). Net position for FY 2016 has been reduced by $1,152,000 to reflect this accrued cost. See Note I for details.
- The Distribution to the City of Fort Pierce increased $74,000 over last year. This was primarily a result of increased revenue being subject to the 6% distribution calculation multiplier.

OVERVIEW OF THE FINANCIAL STATEMENTS

FPUA is a single enterprise fund even though it provides various utility services. FPUA's basic financial statements consist of fund financial statements and the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

The financial statements are designed to provide readers with a broad overview of FPUA's finances, in a manner similar to a private-sector business. The ***Statement of Net Position*** presents financial information on all of FPUA's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of FPUA is improving or deteriorating.

The ***Statement of Revenues, Expenses and Changes in Net Position*** presents information showing how FPUA's net position changed during the two most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected utility billings and earned but unused vacation leave).

The enterprise fund activities of FPUA are intended to recover all or a significant portion of its costs through user fees and charges, and include providing electric, water, wastewater, natural gas, and communication services. FPUA also operates the Treasure Coast Energy Center (TCEC) for the Florida Municipal Power Agency (FMPA), as well as the Manatee Observation and Education Center (MOEC) for the City of Fort Pierce. FPUA's financial information is presented in the CAFR prepared by the City of Fort Pierce, as a component unit.

The ***Notes to the Financial Statements*** provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. The notes can be found on pages 28-49 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents ***Required Supplementary Information*** concerning FPUA's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 50-51 of this report.

FINANCIAL ANALYSIS OF FPUA AS A WHOLE

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. FPUA's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $184,998,000 at the close of the most recent fiscal year.

Table 1
Net Position
(Dollars in Thousands)

	9/30/2016	9/30/2015	Increase (Decrease) $	Increase (Decrease) %
Current Assets	$ 66,069	$ 68,891	$ (2,822)	(4.1%)
Capital Assets	215,744	216,840	(1,096)	(0.5%)
Other Noncurrent Assets	9,354	9,215	139	1.5%
Total Assets	291,167	294,946	(3,779)	(1.3%)
Total Deferred Outflows of Resources	5,042	4,940	102	2.1%
Current Liabilities	26,096	27,466	(1,370)	(5.0%)
Noncurrent Liabilities	80,371	84,741	(4,370)	(5.2%)
Total Liabilities	106,467	112,207	(5,740)	(5.1%)
Total Deferred Inflows of Resources	4,744	5,704	(960)	(16.8%)
Net Position:				
Net Investment in Capital Assets	137,337	132,680	4,657	3.5%
Restricted	12,070	12,734	(664)	(5.2%)
Unrestricted	35,591	36,561	(970)	(2.7%)
Total Net Position	$ 184,998	$ 181,975	$ 3,023	1.7%

The largest portion of FPUA's net position (74.2%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. FPUA uses these capital assets to provide a variety of services to its customers. Accordingly, these assets are not available for future spending. Although FPUA's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of FPUA's net position (6.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $35,591,000 is unrestricted and may be used to meet FPUA's ongoing obligations to its customers and creditors.

Deferred outflows of resources have increased due to the deferred pension outflow recorded in accordance with GASB 68. Deferred inflows of resources have decreased due to the decrease in the purchased power and gas over-collections, over and above the amount recorded as deferred pension inflow this year. The value of FPUA's capital assets, net of depreciation, has remained flat this year. The increase in net investment in capital assets, as well as the decrease in liabilities, is primarily due to the annual repayment of principal on revenue bonds payable.

Table 2
Changes in Net Position
(Dollars in Thousands)

			Increase (Decrease)	
	FY 2016	**FY 2015**	**$**	**%**
Operating Revenues				
Electric	$ 65,156	$ 62,844	$ 2,312	3.7%
Water	15,537	14,804	733	5.0%
Wastewater	12,448	12,234	214	1.7%
Natural Gas	4,378	4,848	(470)	(9.7%)
MOEC	410	390	20	5.1%
FPUAnet Communications	492	438	54	12.3%
Nonoperating Revenues				
Investment and Other Income	2,136	2,171	(35)	(1.6%)
Grant Revenue	-	81	(81)	(100.0%)
Total Revenues	100,557	97,810	2,747	2.8%
Operating Expenses				
Purchases for Resale	43,783	42,304	1,479	3.5%
Plant Operations	5,313	5,325	(12)	(0.2%)
Field Operations	9,062	8,641	421	4.9%
General and Administrative	16,997	15,802	1,195	7.6%
Depreciation	13,097	12,461	636	5.1%
Nonoperating Expenses				
Distribution to the City of Fort Pierce	5,809	5,735	74	1.3%
Interest Expense	3,445	3,594	(149)	(4.1%)
TCEC Expenses	1,699	1,809	(110)	(6.1%)
Total Expenses	99,205	95,671	3,534	3.7%
Income (Loss) before Capital Contributions and Extraordinary Expense	1,352	2,139	(787)	(36.8%)
Capital Contributions	1,650	2,471	(821)	(33.2%)
Extraordinary Income (Expense)	21	(10)	31	(310.0%)
Increase (Decrease) in Net Position	3,023	4,600	(1,577)	(34.3%)
Net Position - Beginning of Year	181,975	177,375	4,600	2.6%
Net Position - End of Year	$184,998	$181,975	$ 3,023	1.7%

In addition to the increases in operating revenues, purchased power, and pension expense discussed previously in the financial highlights, the increase in general and administrative expenses were a result of many factors. Depreciation expense is increasing as costly capital projects are closed and begin to depreciate. The acidization of the Mainland Deep Injection Well, as well as the low pressure incident experienced in the Gas system were unanticipated costs in FY 2016. The decrease in capital contributions as compared to FY 2015 actually reflects an increase when compared to fiscal years 2011 through 2014.

The distribution to the City of Fort Pierce, based on FY 2016 revenues, computes to $5,969,000 and will be paid in April 2017 (see Note E for details). Last year's distribution, based on FY 2015 revenues, totaled $5,809,000, and was paid in April 2016. This increase is a result of higher sales revenues, as well as power cost in excess of the actual amount paid being included in the base electric rate, which are subject to the calculation at 6% of gross revenue.

CAPITAL ASSETS

Major projects, and the costs associated with each during FY 2016, include:

• Repump #1 Rehabilitation – Jaycee Park	$1,750,000
• Water Treatment Plant:	
• Sand Filter Rehabilitation	841,000
• High Service Pump #4	452,000
• Well S-8R Replacement	393,000
• Sunrise Boulevard – Water & Wastewater	493,000
• Electric Transmission and Distribution:	
• System Improvements	445,000
• New Construction	325,000
• Second Street – all systems	425,000
• Wastewater Collection:	
• Wastewater Main Lining	417,000
• Lift Station Rehabilitation	393,000
• Vac-Con Truck	317,000
• Water Distribution:	
• Parkland Boulevard MSBU	331,000
• Main, Service and Valve Replacements	322,000
• Water Meters & Backflows	306,000

Since many of the projects rehabilitate deteriorating lines in the older sections of the service territory, the impact on operating and maintenance expenses is expected to be favorable. However, over 110 miles of old water and wastewater lines remain in those systems. Replacement of these lines is being phased over a 25-year period to soften the impact on rates.

At the end of FY 2016, FPUA had $215,744,000 invested in a broad range of net utility capital assets, including its electric and natural gas transmission and distribution systems, water treatment plant, water transmission and distribution mains, water storage facilities, pump stations, water reclamation facility, MWRF deep injection wells, and related wastewater collection plant facilities. The following tables summarize FPUA's capital assets, net of accumulated depreciation, and changes therein, for the year ended September 30, 2016.

Table 3
Capital Assets, Net of Accumulated Depreciation
Categorized by System
(Dollars in Thousands)

	9/30/2016	9/30/2015	Increase (Decrease) $	Increase (Decrease) %
Electric	$ 62,125	$ 64,504	$ (2,379)	(3.7%)
Water	80,164	77,329	2,835	3.7%
Wastewater	59,558	61,004	(1,446)	(2.4%)
Shared Services	7,292	7,630	(338)	(4.4%)
Gas	5,879	5,563	316	5.7%
FPUAnet	656	734	(78)	(10.6%)
MOEC	70	76	(6)	(7.9%)
Total	$ 215,744	$ 216,840	$ (1,096)	(0.5%)

Table 4
Capital Assets, Net of Accumulated Depreciation
Categorized by Asset Class
(Dollars in Thousands)

	9/30/2016	9/30/2015	Increase (Decrease) $	Increase (Decrease) %
Land	$ 10,046	$ 10,046	$ -	0.0%
Transmission, distribution, and collection systems	155,675	158,077	(2,402)	(1.5%)
Equipment	13,895	10,018	3,877	38.7%
Structures and improvements	13,581	13,931	(350)	(2.5%)
Construction work in progress	22,547	24,768	(2,221)	(9.0%)
Total	$215,744	$216,840	$(1,096)	(0.5%)

Additional information on FPUA's capital assets can be found in Note C on pages 34-35 of this report.

DEBT ADMINISTRATION

At September 30, 2016, FPUA had outstanding revenue bonds in the amount of $78,510,000. Debt service schedules extend to October 1, 2029. Interest rates range from 1.34% to 5.90% on the bonds. Principal payments are due October 1 of each year. Principal on the bonds of $7,367,000 was due and paid on October 1, 2016.

On June 10, 2016, the bond rating firm, Standard & Poor's, affirmed its 'A' rating on FPUA's revenue bonds. On June 26, 2015, the bond rating firm, Fitch Ratings Inc., affirmed FPUA's 'A+' rating. Both firms also stated that FPUA's rating outlook is stable.

FPUA's debt service coverage ratio was 2.51 times for the twelve months ended September 30, 2016, compared to 2.55 times on September 30, 2015. This coverage ratio remains well above the 1.25 minimum requirement.

As previously described, FPUA issued Utilities Refunding Revenue Bond, Series 2016 at an interest rate of 2.14% to provide for the redemption of Utilities Revenue Bonds, Series 2002 with an interest rate of 5% in March 2016. FPUA continues to evaluate other refunding opportunities which may remain.

Additional information on FPUA's revenue bonds payable can be found in Note F on pages 37-39 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local economic factors are discussed at length on pages 4 and 5.

On June 1, 2016, an increase of 3% was applied to the water customer and volume charges. Current rate schedules and charges are available on FPUA's website, www.fpua.com. Rates will continue to be reviewed on an annual basis to ensure FPUA's rate structure properly reflects the recovery of the cost of operating and maintaining its electric, water, wastewater, and natural gas systems.

CONTACTING FPUA'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of FPUA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to FPUA's Director of Financial Services at Fort Pierce Utilities Authority, PO Box 3191, Fort Pierce, FL 34948-3191, or e-mail npenick@fpua.com.

This report and bond disclosure information is available on FPUA's website – www.fpua.com.


FORT PIERCE
UTILITIES AUTHORITY

FORT PIERCE UTILITIES AUTHORITY

Statement of Net Position

September 30, 2016

(With comparative totals for September 30, 2015)

(Dollars in Thousands)

	2016	2015
ASSETS AND DEFERRED OUTFLOWS		
ASSETS		
Current Assets:		
Equity in Pooled Cash and Investments	$ 25,020	$ 27,712
Accounts Receivable, Net of Allowance for Uncollectible Accounts of $4,154 in 2016 and $4,170 in 2015	9,072	8,149
Unbilled Receivables	5,432	5,534
Due from Other Governments	424	422
Inventories and Other Current Assets	4,546	5,009
Restricted Equity in Pooled Cash and Investments	20,492	20,757
Restricted Cash with Fiscal Agent	1,083	1,308
Total Current Assets	66,069	68,891
Noncurrent Assets:		
Capital Assets:		
Utility Plant in Service	434,848	423,324
Construction Work in Progress	22,547	24,768
Less Accumulated Depreciation	(241,651)	(231,252)
Total Capital Assets (net of Accumulated Depreciation)	215,744	216,840
Other Noncurrent Assets:		
Restricted Equity in Pooled Cash and Investments	6,857	6,703
FMPA Working Capital Receivable	1,919	1,919
Preliminary Surveys	41	6
Investment in Public Gas Partners Pool	537	587
Total Other Noncurrent Assets	9,354	9,215
Total Noncurrent Assets	225,098	226,055
Total Assets	291,167	294,946
DEFERRED OUTFLOWS OF RESOURCES		
Advance Distribution to General Fund - City of Fort Pierce	-	1,251
Deferred Pension Outflow	4,891	3,689
Deferred Amount on Debt Refunding	151	-
Total Deferred Outflows of Resources	5,042	4,940
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 296,209	$ 299,886

The accompanying notes are an integral part of this financial statement.

FORT PIERCE UTILITIES AUTHORITY

Statement of Net Position

September 30, 2016

(With comparative totals for September 30, 2015)

(Dollars in Thousands)

	2016	2015
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
LIABILITIES		
Current Liabilites:		
Accounts Payable and Accrued Expenses	$ 7,900	$ 9,577
Due to City of Fort Pierce	913	781
Customer Deposits - restricted assets	8,024	7,803
Revenue Bonds Payable - restriced assets	7,367	7,086
Accrued Interest Payable - restricted assets	971	1,145
Accrued Compensated Absences	24	170
Capital Leases Payable	38	31
Other Current Liabilities	859	873
Total Current Liabilities	26,096	27,466
Noncurrent Liabilities:		
Revenue Bonds Payable, Net of Unamortized Discounts	71,085	76,754
Accrued Compensated Absences	1,778	1,592
Other Post Employment Benefit Obligation	711	681
Net Pension Liability	6,655	5,528
Due to St. Lucie County	131	137
Capital Leases Payable	11	49
Total Noncurrent Liabilities	80,371	84,741
Total Liabilities	106,467	112,207
DEFERRED INFLOWS OF RESOURCES		
Purchased Power and Gas Over-Recovery	3,516	5,694
Deferred Pension Inflow	1,228	-
Deferred Amount on Debt Refunding	-	10
Total Deferred Inflows of Resources	4,744	5,704
NET POSITION		
Net Investment in Capital Assets	137,337	132,680
Restricted Capital Improvement Charges	5,213	6,031
Restricted for Debt Service	5,457	4,930
Restricted for Emergencies	900	1,273
Restricted for Renewals and Replacements	500	500
Unrestricted	35,591	36,561
Total Net Position	184,998	181,975
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 296,209	$ 299,886

The accompanying notes are an integral part of this financial statement.


FORT PIERCE
UTILITIES AUTHORITY

FORT PIERCE UTILITIES AUTHORITY

Statement of Revenues, Expenses and Changes in Net Position

Year Ended September 30, 2016

(With comparative totals for the year ended September 30, 2015)

(Dollars in Thousands)

	2016	2015
OPERATING REVENUES		
Sales and charges for services	$ 96,157	$ 93,396
Other	2,264	2,162
Total Operating Revenues	98,421	95,558
OPERATING EXPENSES		
Purchases for resale	43,783	42,304
Plant operations	5,313	5,325
Field operations	9,062	8,641
General and administrative	16,997	15,802
Depreciation	13,097	12,461
Total Operating Expenses	88,252	84,533
OPERATING INCOME	10,169	11,025
NONOPERATING REVENUES (EXPENSES)		
Investment and other income	2,136	2,171
Grant revenue	-	81
TCEC expenses	(1,699)	(1,809)
Interest expense	(3,445)	(3,594)
Distribution to General Fund - City of Fort Pierce	(5,809)	(5,735)
Total Nonoperating Revenues (Expenses)	(8,817)	(8,886)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	1,352	2,139
Capital contributions	1,650	2,471
INCOME BEFORE EXTRAORDINARY ITEMS	3,002	4,610
Extraordinary Income (Expense)	21	(10)
CHANGE IN NET POSITION	3,023	4,600
Net Position - Beginning of Year	181,975	177,375
Net Position - End of Year	$ 184,998	$ 181,975

The accompanying notes are an integral part of this financial statement.

FORT PIERCE UTILITIES AUTHORITY

Statement of Cash Flows

Year Ended September 30, 2016

(With comparative totals for the year ended September 30, 2015)

(Dollars in Thousands)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 94,755	$ 95,927
Receipts from other sources	2,264	2,162
Payments to suppliers for goods and services	(54,939)	(53,069)
Payments to employees for services	(12,307)	(13,847)
Payments for benefits on behalf of employees	(8,019)	(6,523)
Net cash provided by operating activities	21,754	24,650
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase in payable to City of Fort Pierce	5	15
Proceeds received for Grants & Storm damages	-	106
Payments for other non-operating activities	(1,699)	(1,809)
Distribution to General Fund - City of Fort Pierce	(5,809)	(5,735)
Net cash used by noncapital financing activities	(7,503)	(7,423)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(12,001)	(12,180)
Proceeds from sale of assets	16	-
Capital contributions	1,515	784
Proceeds from issuance of debt	18,541	8,526
Bond and loan principal payments	(23,960)	(14,099)
Bond and loan interest payments	(3,445)	(3,594)
Proceeds from capital lease obligation	-	29
Payment on capital lease obligation	(31)	(27)
Net cash used by capital and related financing activities	(19,365)	(20,561)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in value of PGP Investment	(50)	(37)
Interest on investments	2,136	2,171
Net cash provided by investing activities	2,086	2,134
Net Increase (Decrease) in Cash and Cash Equivalents	$ (3,028)	$ (1,200)

The accompanying notes are an integral part of this financial statement.

FORT PIERCE UTILITIES AUTHORITY

Statement of Cash Flows

Year Ended September 30, 2016

(With comparative totals for the year ended September 30, 2015)

(Dollars in Thousands)

	2016	2015
Net Increase (Decrease) in Cash and Cash Equivalents	$ (3,028)	$ (1,200)
Cash and Cash Equivalents at Beginning of Year	56,480	57,680
Cash and Cash Equivalents at End of Year	$ 53,452	$ 56,480
Current equity in pooled cash and investments	$ 25,020	$ 27,712
Restricted equity in pooled cash and investments	27,349	27,460
Restricted cash with fiscal agent	1,083	1,308
Total Cash and Cash Equivalents	$ 53,452	$ 56,480
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 10,169	$ 11,025
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	13,097	12,461
Inventory adjustment / gain assets / pension expense	1,353	151
(Increase) decrease in accounts receivable	328	(893)
(Increase) decrease in unbilled revenue	102	425
(Increase) decrease in inventories and other current assets	462	(133)
Increase (decrease) in liabilities deferred & customer deposits	(1,957)	-
Increase (decrease) in accounts payable	(1,677)	(489)
Increase (decrease) in compensated absences	40	(171)
Increase (decrease) in other post employment benefits	30	59
Increase (decrease) in deferred revenues	(193)	2,215
	$ 21,754	$ 24,650
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Contributions of capital assets	$ 135	$ 1,687

The accompanying notes are an integral part of this financial statement.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The voters of the City of Fort Pierce, Florida authorized the organization of the Fort Pierce Utilities Authority (FPUA) at a special election held May 30, 1972. FPUA commenced operations as of June 30, 1972, and is responsible for management and operation of the combined Electric, Water, Wastewater, and Gas Systems, FPUAnet and the Manatee Observation and Education Center. The City Charter, Article XII, defines the powers, duties, and responsibilities of FPUA. The members of FPUA's governing board are appointed and may be removed from office by the Fort Pierce City Commission. FPUA's budget is subject to approval of the City Commission, as are rates for service.

The accounts at September 30, 2016, and for the year then ended, of the various utility systems of FPUA are included as a discretely presented component unit of the City of Fort Pierce, Florida, financial statements. FPUA has no component units.

Basis of Presentation

The accounts of FPUA are an enterprise fund. An enterprise fund is a Proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the "economic resources measurement focus," and the "accrual basis of accounting." Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Accounting Standards Adopted

GASB Statement No. 65 – During FY 2014, FPUA implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65), that amends or supersedes the accounting and financial reporting guidance for certain items previously required to be reported as assets or liabilities. The objective is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues).

The impact of the implementation of GASB 65 on FPUA's financial statements for all periods presented was that certain debt issuance costs are now expensed which were previously recorded as an asset and amortized over the life of the debt.

GASB Statement No. 68 – Fort Pierce Utilities Authority implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* (GASB 68) for the fiscal year ended September 30, 2015. This statement establishes standards of accounting and financial reporting for pension plans that are administered through a trust that meet certain criteria. Implementation of GASB 68 replaces the requirements of Statements No. 27 and 50.

During fiscal year 2016, three new accounting standards were adopted as follows:

GASB Statement No. 72 – The Fair Value Measurement and Application The Statement improves financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature.

GASB Statement No. 76 – The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments The Statement identifies, in the context of the current governmental financial reporting environment, the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles.

GASB Statement No. 79 – Certain External Investment Pools and Pool Participants This Statement establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement also establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost.

Operating Revenues and Expenses – Operating revenues and expenses generally result from providing services in connection with FPUA's principal ongoing operations. The principal operating revenues of FPUA consists of charges to customers for sales of electricity, water and natural gas and services including wastewater collection, operation of the Manatee Observation and Education Center (MOEC) and FPUAnet communications services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE A – continued

Assets, Liabilities, Deferred outflows/inflows of resources, and Net Position

Pooled Cash and Investments - FPUA, for accounting and investment purposes, pools certain cash and investments. Cash and cash equivalents are considered to be cash on hand, certificates of deposit, Local Government Surplus Funds Trust Fund, Overnight Repurchase Agreements, and short-term investments with original maturities of three months or less from the date of acquisition.

In accordance with GASB 31, investments are stated at fair value based on per share prices. The Florida PRIME Investment Pool (LGIP) is considered to be a "2a-7 like" investment, and is accounted for at fair value for financial reporting (See Note B Investments). Florida PRIME has a current rating by Standard and Poor's of AAAm. There is a risk of loss on these investments based upon the fluctuation of interest rates and lengths of maturity.

Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund.

Unbilled Service Receivables - These receivables represent the estimated amount of accounts receivable for services that have not been billed as of the balance sheet date. The amounts are a result of a timing difference between the end of the financial statement cycle (month end) and the billing cycle (various dates within the month for each billing period).

Inventories - Inventories of fuel, supplies, construction materials, and utility plant replacement parts are recorded at lower of weighted average cost or market.

Utility Plant - Utility plant is stated at historical cost for items constructed or acquired by purchase and at estimated fair market value on the date received for contributed capital. Utility plant assets are defined by FPUA as assets with an initial, individual cost of $5,000 or more and an estimated useful life of one year or more. (See Note C for interest capitalization.)

Depreciation of all exhaustible utility plant assets, including those acquired through intergovernmental grants externally restricted to capital acquisitions, is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet.

Depreciation is calculated using the straight line method over the following estimated useful lives:

Structures and improvements	3-55 years
Equipment	3-40 years
Transmission, distribution, and collection plants	5-60 years

Purchased Power and Gas Adjustments - The rate schedules of the Electric and Gas Systems provide that fuel cost increases, decreases, and credits, as computed under formulas adopted by FPUA, will be passed on to the customers. These charges or credits are recorded as a deferred inflow of revenue. At the end of the fiscal year, FPUA has recorded deferred inflow of resources in the amount of $3,516 for these adjustments.

Long-Term Liabilities – Bonds payable are reported net of any applicable discounts. Bond discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs have been recognized as outflows of resources in accordance with GASB No. 65 (see GASB Statement No. 65 in this note).

Deferred outflows/inflows of resources - The financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until the period in which the expense belongs arrives. Similarly, *deferred inflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until FPUA reaches the period to which the resources belong.

FPUA has the following items that qualify for reporting under this section:

- Deferred Pension Outflows and Inflows in accordance with the implementation of GASB 68.
- Purchased Power and Gas Over-Recovery.
- Deferred Amount on the refunding of Revenue Bonds Series 2016.

Net Position – FPUA's equity is presented as net position and displayed in six components:

- Net Investment in Capital Assets – Consists of capital assets, contributed capital assets and capital leases, net of accumulated depreciation and reduced by the outstanding balances of any bonds and related debt that is attributable to the acquisition, construction, or improvement of those assets.
- Restricted Capital Improvement Charges – Consists of the unspent Capital Improvement Charges (CIC's) collected in the Electric, Water and Wastewater Systems. The respective balances as of September 30, 2016 are $379, $3,807, and $1,027. Electric CIC's are used to fund the cash outlay or debt service associated with the expansion of Electric Substations and Electric Transmission & Distribution Systems. In the Water and Wastewater Systems, CIC's are used to fund the cash outlay or debt service associated with specific expansion and growth related projects.
- Restricted for Debt Service – Consists of $5,457 in net position set aside for payment of principal and interest on the 2009 Utilities Revenue Refunding Bonds and additional amounts in accordance with FPUA's Master Bond Resolution, as revised in 2012.
- Restricted for Emergencies – Consists of $900 in net position, set aside for emergencies which is limited to paying for repairs or replacements of FPUA capital assets damaged or destroyed by a disaster.
- Restricted for Renewals and Replacements – Consists of $500 in net position which is limited to paying for the cost of extensions, enlargements or additions to or the replacement of FPUA capital assets.
- Unrestricted – All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

NOTE A - continued

Comparative data

Certain reclassifications have been made in order to provide a consistent and comparative understanding of the changes in the financial position and the results of operations of FPUA.

Budget Process

FPUA is required to prepare, adopt, and furnish a copy to the City Commission of the City of Fort Pierce an annual budget at least 45 days prior to the beginning of the next fiscal year. The annual budget and any amendments thereto shall be in effect when approved by FPUA and when any line item expense has not been disapproved by four-fifths (4/5) vote of the City Commission within 30 days of submission. The budget is prepared on the accrual basis. The budget and amendments thereto, for the year ended September 30, 2016, have been approved according to the above procedures.

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to September 30, 2016 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2016. Management has performed their analysis through February 23, 2017.

NOTE B – CASH AND INVESTMENTS

Cash Deposits - Florida Statutes require state and local governmental units to deposit monies with a financial institution classified as a "Qualified Public Depository," which is a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits. FPUA had deposits only with qualifying institutions as of September 30, 2016, or with banks in which depository insurance was sufficient to cover the deposit balance. At year-end, FPUA's carrying amount of deposits was $370 and the bank balance was $89.

Investments – The following investments are considered cash equivalents for purposes of the Statement of Cash Flows (see Note A, Pooled Cash and Investments). FPUA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principals as noted in Note A, GASB No. 72, Fair Value Measurement and Application. FPUA's investments held throughout the year are principally the same as the investments held as of September 30, 2016. Due to fluctuations in cash flows, FPUA maintains investments in overnight repurchase agreements. The interest income generated on these investments including any gain on investment, for the year ended September 30, 2016, was $74.

As of September 30, 2016, FPUA had the following investments:

Investment	Fair Value
Seacoast National Bank Sweep	$ 37,968
PNC Money Market	7,062
Florida State Board of Administration - Florida PRIME	
Local Government Surplus Funds Trust Fund (AAAm)	5,236
Harbor Community Bank Certificate of Deposit	1,724
Total	$ 51,990

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from fluctuating interest rates, FPUA's investment policy states that when interest rates are at historically low levels, funds will be placed in short maturities and that when interest rates are at historically high levels, funds may be placed into longer maturities to lock into these yields.

Credit Risk - FPUA is authorized by Resolution to invest in:

(1) Local Government Surplus Funds Trust Funds.

(2) Negotiable direct obligations of the United States Government, or obligations, the principal and interest of which are unconditionally guaranteed by the United States Government.

(3) Obligations of the federal farm credit banks, the Federal Home Loan Mortgage Corporation, including Federal Home Loan Corporation participation certificates, or the Federal Home Loan Bank or its district banks, or obligations guaranteed by the Government National Mortgage Association, U.S. Treasury, agencies, and instrumentalities.

(4) Repurchase agreements secured by the types of investments listed above, restricted as to acquisition, term, and market value.

(5) Interest-bearing time deposits or savings accounts in banks organized under the laws of this state, in national banks organized under the laws of the United States and doing business and situated in this state, in savings and loan associations which are under state supervision, or in federal savings and loan associations located in this state and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law.

NOTE B – continued

(6) Deposits and certificates of deposit in out-of-state banks, savings and loan associations, and other regulated financial institutions insured by the FDIC.

(7) Full faith and credit direct general obligations of any state, or unlimited tax direct obligations of any political subdivision thereof, to the payment of which the full faith and credit of such political subdivision is pledged, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by a nationally recognized rating agency.

Concentration of Credit Risk - FPUA places no limit on the amount that may be invested with any one issuer. A combined 73% of FPUA's investments are in overnight repurchase agreements and the Florida PRIME Investment Pool.

NOTE C – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated:				
Land	$ 10,046	$ -	$ -	$ 10,046
Construction Work In Progress	24,768	10,643	(12,864)	22,547
Total Utility Plant, not being depreciated	34,814	10,643	(12,864)	32,593
Capital Assets, being depreciated:				
Transmission, distribution and collection systems	330,814	7,784	(2,032)	336,566
Equipment	45,818	6,040	(666)	51,192
Structures and improvements	36,646	398	-	37,044
Total Utility Plant being depreciated	413,278	14,222	(2,698)	424,802
Less accumulated depreciation for:				
Transmission, distribution and collection systems	(172,737)	(10,186)	2,032	(180,891)
Equipment	(35,800)	(2,163)	666	(37,297)
Structures and improvements	(22,715)	(748)	-	(23,463)
Total accumulated depreciation	(231,252)	(13,097)	2,698	(241,651)
Total Capital Assets, being depreciated, net	182,026	1,125	-	183,151
Total Capital Assets, net	$ 216,840	$ 11,768	$ (12,864)	$215,744

Depreciation expense was charged to the utility systems as follows:

Electric	$ 4,508
Water	4,454
Wastewater	3,743
Gas	313
FPUAnet Communications	73
Manatee Observation and Education Center	6
	$13,097

Construction work in progress at September 30, 2016, consists principally of expansions and upgrades to the electric transmission and distribution system, water supply and distribution system, wastewater collection and treatment system, and gas distribution system.

FPUA capitalizes interest costs on funds borrowed to finance the construction of utility plant in conformity with Governmental Accounting Standards Board Statement No. 62. Total interest costs for the year ended September 30, 2016, were $3,445 of which $181 has been capitalized as plant utility construction costs.

FPUA has entered into contracts for the construction or renovation of various system assets as follows:

Upgrade and Expansion	Project Authorization	Expended to Date	Remaining Commitmen	Required Further Financing
Water	$ 2,875	$ 2,018	$ 857	None
Wastewater	820	577	243	None
Gas	190	37	153	None
Electric	7	3	4	None
FPUAnet	5	-	5	
	$ 3,897	$ 2,635	$ 1,262	

In addition, FPUA enters into unit price contracts for the construction or renovation of system assets. These contracts are not firm commitments, and the contractors are utilized as needed. As of September 30, 2016, there were no remaining unit price contract commitments for the construction or renovation of FPUA system assets.

NOTE D – RESTRICTED ASSETS

Certain assets are restricted by bond resolution; additionally, some assets have been classified as restricted in accordance with governmental accounting standards for enterprise funds and utility industry accounting practices.

FPUA's restricted assets consist of equity in pooled cash and investments and cash with fiscal agent in the following accounts:

Principal and interest accounts	$ 8,338
Capital Improvement Charges	5,213
Customer security deposits	8,024
Debt Service	5,457
Emergency reserve	900
Renewal and replacement reserve	500
Total Restricted Assets	$28,432

NOTE E – DISTRIBUTION TO THE GENERAL FUND, CITY OF FORT PIERCE

As provided by an amendment to the Charter of the City of Fort Pierce, Florida, a percentage of FPUA's utility systems revenue is distributed to the City's General Fund on an annual basis. The distribution calculation is based on the preceding fiscal year audited financial statements. The following is the computation of the amounts distributable to the General Fund during the year ending September 30, 2017, based on the 6% distribution formula for the year ended September 30, 2016:

Gross Revenue	$ 102,238
Plus:	
Power Cost and Purchased Gas Adjustments	1,736
Gas Piping and Appliance Costs	41
	104,015
Less:	
FMPA O&M Contract Income	1,699
Capital Contributions	1,650
FPUAnet Operating Revenue	492
Manatee Observation and Education Center Operating Revenue	410
Revenue for City Billing	187
Gas Piping and Appliance Revenue	67
Extraordinary Income	30
Adjusted Gross Revenue	$ 99,480
Amount distributable to General Fund, City of Fort Pierce at 6% of gross revenues, as defined	$ 5,969

NOTE F – REVENUE BONDS PAYABLE

Revenue Bonds Payable at September 30, 2016, consist of:

$10,223 Utilities Revenue Capital Appreciation Bonds, Series 1999B, collateralized by pledge of and first lien on the net revenues of the combined systems, yield varying from 5.70% to 5.90%. The accreted value at September 30, 2016 is $27,245. The bonds mature October 1, 2016 through October 1, 2024, with principal amounts totaling $34,970 due in those years in annual amounts ranging from $275 to $4,340.	$27,245
$34,800 Utilities Refunding Revenue Bonds, Series 2009, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 3.90% to 5.00% on the remaining annual principal amounts ranging from $1,210 to $7,285 through October 1, 2029.	34,800
$20,896 Taxable Utilities Refunding Bond, Series 2012, collateralized by a pledge of and first lien on the net revenues of the combined systems, interest at 1.34% on the remaining principal amount of $6,920 due on October 1, 2016.	6,920
$9,545 Utilities Refunding Revenue Bonds, Series 2016, collateralized by pledge of and first lien on the net revenues of the combined systems, interest at 2.14%. Principal amounts ranging from $172 to $3,451 are due October 1, 2016 through October 1, 2026.	9,545

Total Revenue Bonds Payable at September 30, 2016		$78,510
Less:	Unamortized portion of revenue bond discounts	58
	Current portion of revenue bonds payable	7,367
		$ 71,085

NOTE F – continued

Requirements to amortize all revenue bonds outstanding as of September 30, 2016 are as follows:

Year Ending September 30	Principal	Interest	Total
2017	7,367	1,816	9,183
2018	5,840	1,762	7,602
2019	5,897	1,706	7,603
2020	5,953	1,645	7,598
2021	6,015	1,584	7,599
2022-2024	18,424	4,345	22,769
2025-2027	19,224	3,225	22,449
2028-2030	17,515	1,052	18,567
	86,235	17,135	103,370
Future accretion on capital appreciation bonds	(7,725)	7,725	-
	$ 78,510	$ 24,860	$ 103,370

Significant Bond Covenants for Utilities Revenue Bonds

The Series 1999, 2009, 2012 and 2016 bond issues provide that FPUA accumulate monthly 1/6 of the amount of all interest due on the next semi-annual interest payment date, and 1/12 of the amount of principal due and payable on the next principal maturity date. Additionally, FPUA's Master Bond Resolution requires renewal and replacement, emergency reserve and debt service reserve subaccount funds with minimum requirements of $500, $900 and $5,457, respectively. These reserves are funded in the amounts of $500, $900 and $5,457 respectively, at September 30, 2016.

Defeasance of Revenue Bonds Payable

In prior years, FPUA defeased certain outstanding utilities revenue bonds issued for the systems payable out of revenues derived from the operation of the utility systems. These defeasances were achieved by placing the proceeds of refunding bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities (including bond discounts and financing costs) for the defeased bonds are not included in FPUA's financial statements. At September 30, 2016, Utilities Revenue Bonds Series 1991, in the amount of $7,500, are considered defeased.

Redemption Options Prior to Maturity

The 2002 Bonds maturing on October 1, 2027 were redeemable prior to their stated date of maturity, at the option of FPUA, beginning April 1, 2012 at par plus accrued interest to the redemption date. On March 4, 2016, FPUA issued Utilities Refunding Revenue Bond, Series 2016, in the amount of $9,545 at a rate of 2.14%, in accordance with the above provision. These Utilities Refunding Bonds carry a deferred amount of $161 at issue date and mature on October 1, 2026. This bond series presents a reduction in interest costs of approximately $2,466 over the life of the bonds. These bonds are redeemable at any time at the option of FPUA. Any full or partial prepayment will carry a fee equal to the greater of (i) 1.00% of the principal balance multiplied by the number of years remaining or (ii) a 'Yield Maintenance Fee'.

The 2003 Bonds maturing on or after October 1, 2014 were redeemable prior to their stated date of maturity, at the option of FPUA, beginning October 1, 2013 at par. On November 14, 2012, FPUA issued Taxable Utilities Refunding Revenue Bonds, Series 2012 in the amount of $20,896, in order to provide funds for the redemption of $19,940 of the 2003 Bonds, in accordance with the above provisions.

The Series 2009 Bonds maturing on October 1, 2029 with an interest rate of 4.70% are redeemable prior to their stated date of maturity, at the option of FPUA, on or after October 1, 2014 at par plus accrued interest to the redemption date. The Series 2009 Bonds maturing on or after October 1, 2020 (excluding those maturing on October 1, 2029 with an interest rate of 4.70%) are redeemable prior to their stated date of maturity, at the option of FPUA, on or after October 1, 2019 at par plus accrued interest to the redemption date.

NOTE G – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	$ 84,070	$ 18,541	$ (24,101)	$ 78,510	$ 7,367
Bond Discounts	(230)	(161)	333	(58)	-
Net Pension Liability	5,528	1,127	-	6,655	-
Due to St Lucie County	137	-	(6)	131	-
Capital Leases	80	-	(31)	49	38
Compensated Absences	1,762	1,442	(1,402)	1,802	24
Other Post Employment Benefits	681	61	(31)	711	-
Pollution Remediation	797	-	(776)	21	21
Long Term Liabilities	$ 92,825	$ 21,010	$ (26,014)	$ 87,821	$ 7,450

NOTE H – COMPENSATED ABSENCES

Current policy allows each employee eligible for vacation leave, to accumulate a maximum of 30 days of vacation at the close of the last pay period of the fiscal year. Employees are paid up to 45 days of unused vacation leave at current hourly rates upon separation from the company. Employees who are eligible for sick leave are allowed unlimited accumulation. Upon termination, employees having at least 3 and less than 10 years of continuous service with FPUA will receive pay for 1/2 of their accumulated sick leave balance up to a maximum of 45 days. Those employees having at least 10 years of continuous service with FPUA will receive pay for their accumulated sick leave balance up to a maximum of 90 days.

Accrued liabilities, based on hourly rates at September 30, 2016, have been reflected in the accounts of FPUA for vested (not contingent on employee future service) vacation and sick leave benefits at September 30, 2016, as follows:

	Total Liability	Due Within One Year
Vacation leave	$ 663	$ 24
Sick leave	1,139	-
	$ 1,802	$ 24

Annually, FPUA offers its employees the opportunity to receive payment for up to 6 days of unused sick leave, calculated at current hourly rates, providing certain established criteria have been met. This sick leave conversion plan is intended to provide incentive for sick leave to be used only when necessary. During the year ended September 30, 2016, $58 was paid to employees electing this option.

FPUA also offers its employees the opportunity to sell back a portion of their accumulated sick leave, calculated at current hourly rates, providing certain established criteria have been met. Employees may elect to convert up to a maximum of 90 days of sick leave which will reduce their amount payable upon separation. During the year ended September 30, 2016, $49 was paid to employees electing this option.

In addition, all employees have two opportunities per fiscal year to convert up to one half of their annual vacation accrual to cash and will reduce their amount payable upon separation. During the year ended September 30, 2016, $31 was paid to employees electing this option.

NOTE I – RETIREMENT AND BENEFIT SYSTEM

Plan Description

The City of Fort Pierce Retirement and Benefit System (the System) is a cost-sharing multiple employer Public Employees Retirement System (PERS) defined benefit plan administered by the City of Fort Pierce, covering all municipal employees, including employees of FPUA. The System does not issue a stand-alone financial report; however the financial information is included in the financial statements of the City of Fort Pierce, which can be obtained by submitting a request to 100 North U.S. Highway 1, Fort Pierce, Florida 34950. Except for the Director of Utilities, participation in the System is compulsory for all employees of FPUA. Employees working more than 25 hours per week are required to participate upon employment.

Per the City of Fort Pierce Code of Ordinances, Ch. 13, Art. II, Div. 1, Sec. 13-40, FPUA employees are required to contribute 6.16% of their annual salary to the System. FPUA is required to contribute amounts actuarially determined annually which, together with member contributions, are sufficient to fund the System. The System also provides death and disability benefits and is governed by state statute and city ordinance. Changes to benefits may be made with the approval of the Fort Pierce City Commission.

Actuarial Methods and Assumptions

GASB Statement No. 68 (GASB 68) identifies the methods and assumptions that should be used to project benefit payments, discount those payments to their present value, and attribute that present value to employee periods of service. The assumptions used in this valuation include the expected rate of return on pension investments to be 8.00%; the long-term municipal bond rate of 3.06%; and the resulting Single Discount Rate of 8.00%. The wage inflation rate assumed was 4.50%. Mortality tables used were the RP-2000 Combined Mortality Tables for males and females with no margin for future improvements. Cost-of-Living Adjustments (COLAs) are granted if the investment return exceeds the investment return assumption and the cumulative actuarial gains and losses since 1995. Based on these assumptions. The pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members.

Funding Status and Progress

Employer contributions to the System, based upon the annual covered payroll, made in accordance with actuarially determined requirements was $4,211 (15.4%) for the fiscal year ended September 30, 2016. The two preceding years' contributions to the System and percent of covered payroll were $4,356 (16.51%) for 2014 and $4,093 (15.66%) for 2015.

NOTE I – continued

At September 30, 2016, FPUA reported a liability of $6,655 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2015. FPUA's proportionate share of the net pension liability was based on the FPUA's present value of projected long-term contributions. At September 30, 2016, the FPUA's proportionate share was 44.83 %. There were no changes made to the plan benefits for the year ending September 30, 2016. GASB 68 establishes standards for measuring liabilities, deferred inflows and outflows of resources and pension expense. The Net Pension Liability (NPL) is measured by the Total Pension Liability (TPL), less the plan's Fiduciary Net Position (market value of assets). The System was 92.51% funded by valuation assets as of September 30, 2016. For the fiscal year ended September 30, 2016, FPUA recognized pension expense of $3,178. FPUA has recorded beginning and ending accruals which may differ from reporting by the System. At September 30, 2016, FPUA reported a payable in the amount of $52, for outstanding contributions to the Pension Plan. In addition FPUA reported deferred outflows of resources related to pensions as the difference between projected and actual investment earnings of:

Year	Deferred Outflows	Deferred Inflows	Pension Expense
2014 and Prior	$ -	$ -	$ 1,750
2015	3,689	-	89
2016	4,891	(1,228)	1,152

The net deferred outflows of resources related to the Pension Plan, totaling $3,663 resulting from FPUA contributions to the Plan subsequent to the measurement date, will be recognized as an increase of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year Ending September 30	Net Deferred Outflows of Resources
2017	$ 1,218
2018	1,218
2019	1,218
2020	9
2021	-
Thereafter	-
Total	$ 3,663

Sensitivity of the FPUA's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the FPUA's proportionate share of the net pension liability calculated using the discount rate of 8.00%, as well as what the FPUA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%) or one percentage point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
FPUA's proportionate share of the Net Pension Liability	$ 15,801	$ 6,655	$ (1,169)

NOTE J – RISK MANAGEMENT

Fort Pierce Utilities Authority Employee Health Plan (the Plan)

FPUA has been a self-insurer for health and accident claims of their employees, retirees and their families since January 1, 2000. Payments of claims under the Plan are administered by Blue Cross Blue Shield of Florida (Florida Blue). Employee contributions to the Plan are made biweekly. Any benefit claims, up to the stop loss amounts, are paid by FPUA. Claims in excess of the stop loss amounts are underwritten by an insurer. The individual stop loss amount is $125 and $4,919 in the aggregate for calendar year 2016.

As of September 30, 2016, FPUA had estimated incurred unpaid claims of $567. Fiscal Year 2016 liability does not include Dental Claims liability or the Stop Loss premium adjustment. This amount has been calculated based on the results of an actuarial analysis of the Plan, plus claims paid by Florida Blue prior to year-end and paid by FPUA subsequent to year-end.

Changes in FPUA's claim liability balance during the past two fiscal years were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2015	$ 760	$ 4,462	$ 4,745	$ 477
2016	477	5,316	5,226	567

NOTE J – continued

Other Risks of Loss

FPUA is exposed to various other risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which FPUA carries commercial insurance. Settled claims resulting from these risks have not exceeded the commercial insurance coverage plus FEMA and State reimbursements in any of the past three fiscal years.

NOTE K – POSTEMPLOYMENT HEALTH CARE BENEFITS

Benefit Description - FPUA provides certain health care benefits for retired employees and their families, as a single-employer (see Note J). Substantially all FPUA employees may become eligible for those benefits if they reach normal retirement age while working for FPUA. FPUA establishes the benefits provided to its employees and retirees and may amend the benefits as business conditions and statutory requirements change. In accordance with Florida Statutes, FPUA allows their retirees to participate in the same Plan offered to their active employees.

Funding Policy - Contributions to the Plan are made by the 41 participating retirees. The amount of contributions made by retirees is established annually and is an amount equivalent to the contribution made by active employees plus FPUA's cost, based on a four-tiered benefit structure. During the fiscal year, retirees paid required contributions of $214 for the year then ended. Claims in excess of the aforementioned rates are funded by FPUA on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - FPUA's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that would cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) using a level-dollar payment method over a 30-year open period. A separate actuarial valuation report for postemployment benefits is available on FPUA's website at www.fpua.com.

The following table shows the components of FPUA's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in FPUA's net OPEB obligation:

Annual required contribution	$ 72
Interest on Net OPEB Obligation	27
Adjustment on annual required contribution	(38)
Annual OPEB Cost	61
Contributions made	(30)
Interest on contributions	(1)
Increase in Net OPEB Obligation	30
Net OPEB Obligation - beginning of year	681
Net OPEB Obligation - end of year	$711

FPUA's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, the net OPEB obligation for FY 2016, and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB (Asset)/ Obligation
2014	$83	30.1%	$ 622
2015	84	29.8%	681
2016	61	49.2%	711

Funded Status and Funding Progress - The net OPEB obligation was not funded as of October 1, 2016, the most recent actuarial valuation date. As a result, the unfunded actuarial accrued liability (UAAL) for benefits was $609. The covered payroll (annual payroll of active employees covered) was $15,032. Therefore, the ratio of the UAAL to the covered payroll was 4.1%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE K – continued

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2016 actuarial valuation, the projected unit credit cost method was used. Under this method, past service liability is determined on an individual basis by applying the ratio of each individual's past service to his total projected service. The actuarial assumptions included a 4.0% investment rate of return, with 2.75% of this amount being attributed to inflation, based on the expected long-term return on FPUA's surplus funds. The cost of covered medical services has been assumed to increase at the rate of 5.0% per year, compounded annually. The UAAL is being amortized using a 30-year open level-dollar amortization method.

NOTE L – CAPITAL LEASES

On January 4, 2013, FPUA entered into a lease with Pitney Bowes and committed to a new five-year capital lease for equipment and software used for billing and mailing. The equipment has been capitalized at its fair market value (FMV) of $142. As of September 30, 2016 the FMV less accumulated amortization was $35. The effective interest/maintenance expense for the year ended September 30, 2016 was $12. Future lease payments for this capital lease are as follows:

Year ending September 30	Amount
2017	38
2018	11
	$49

NOTE M – TRANSACTIONS WITH THE CITY OF FORT PIERCE

As an enterprise fund of the City of Fort Pierce, transactions occur between FPUA and the City throughout the year in the ordinary course of operations. Below is a summary of significant transactions:

Metered and Non-metered Service Charges - FPUA bills the City on a monthly basis for all non-metered and metered services in the ordinary course of business. Total amounts charged to the City for the year ended September 30, 2016, were $1,600.

Sanitation and Utility Tax Billings - Charges to City residents for sanitation and utility tax are included on FPUA's monthly billing statements to customers as a service to the City. FPUA acts only as an agent, with all cash collections relating to these charges forwarded monthly to the City. The City is charged $187 annually by FPUA to bill, collect and remit payment for sanitation services.

Current accounts receivable from the City at September 30, 2016, totaled $207. Disbursements made to the City by FPUA, including payments of utility tax, sanitation charges collected and other routine charges for the year ended September 30, 2016, were $9021. In addition, FPUA paid the September 30, 2015 General Fund distribution to the City in the amount of $5,809. Amounts payable to the City at September 30, 2016, were $794.

Vehicle Fuel - The City charges FPUA on a monthly basis for fuel used by FPUA vehicles. FPUA's fueling system reciprocates and can fuel City vehicles at their convenience.

Advance Distribution to the General Fund – FPUA entered into an agreement with the City to provide an advance on future distributions to the General Fund. FPUA disbursed $1,250 during the year ending September 30, 2014. The City repaid this advance in December 2016 including interest accrued at the average interest rate earned by FPUA on its investments. Through September 30, 2016 interest in the amount of $3 has been accrued and is included in the current accounts receivable balance.

NOTE N – CONTRACT COMMITMENTS

FMPA All-Requirements Power Supply Project

As of January 1, 1998, FPUA became a participant in the Florida Municipal Power Agency's (FMPA) All-Requirements Power Supply Project (hereinafter referred to as ARP). FPUA has agreed to purchase its total bulk power requirements, in excess of certain excluded resources, from the ARP through October 1, 2033.

Prior to being involved in the ARP, FPUA had Project Support Contracts and Power Sales Contracts with FMPA regarding Stanton Unit No. 1 (Stanton and Tri-City Projects) and Stanton Unit No. 2, coal-fired plants constructed by the Orlando Utilities Commission. FPUA's resources, which have been assigned, include the contracts with FMPA related to Stanton Unit No. 1 and Stanton Unit No. 2, and to part of the contract with Florida Gas Transmission for the purchase of firm capacity natural gas (See below). The contracts related to the St. Lucie Project, also detailed below, have not been assigned; however, as of January 1, 1998, FPUA's share of transmission costs related to the St. Lucie Project has been assigned to the ARP.

NOTE N – continued

FMPA St. Lucie Project

FPUA has entered into agreements with FMPA, of which it is a member, and with certain other members of FMPA, for entitlement to capacity, energy, and transmission services from Florida Power & Light's (FP&L) St. Lucie Unit No. 2 (the Unit) which is located on South Hutchinson Island near Fort Pierce, and through a reliability exchange agreement related to St. Lucie Unit No. 1, located at the same site. Pursuant to a Power Sales Contract and a Project Support Contract, FPUA has acquired an entitlement share of FMPA's allocation of these services. The Power Sales Contract requires payments for each month in which capacity, energy, or transmission services are available from the St. Lucie Project. Payments due each month are based upon an annual budget. Once each year, the excess or deficiency of payments related to actual cost is calculated and applied to the next year's monthly statements from FMPA to FPUA.

The Power Sales Contract will remain in effect until the latest of (i) the date that the principal, premium, if any, and interest on all bonds have been paid, or funds are set aside for the payment thereof; (ii) the date the Unit is decommissioned or finally disposed of as an electric generating unit pursuant to the Participation Agreement, or FMPA's interest in the Unit is terminated pursuant to the Participating Agreement or otherwise disposed of; or (iii) the date all obligations of FMPA under the Participation Agreement have been paid, performed, or provided for.

In any month when electric capacity, energy, or transmission services are not made available to FPUA, payment is made to FMPA under a Project Support Contract in a like amount as would have been due under the Power Sales Contract.

Purchases under these contracts are accounted for as operating expenses by FPUA. Total cost included in operating expenses for FY 2015 and FY 2016 was $8,020 and $8,102 respectively. FPUA is committed under the agreements to payments of $7,925 for the year ending September 30, 2016.

Florida Gas Transmission

FPUA executed an All Requirements Gas Services Agreement with Florida Gas Utility (FGU) on January 15, 2002. As a member of the All Requirements project, FPUA is required to purchase natural gas and the firm capacity needed for its delivery through FGU. The firm capacity of natural gas is the availability of the pipeline required to transport the natural gas to FPUA. This agreement will remain in effect until cancelled by FPUA.

On July 3, 2012, FPUA acquired additional firm capacity from the City of Sunrise, Florida in order to meet the needs of new industrial customers. This agreement will remain in effect until July 2, 2017 or until cancelled by FPUA. In FY 2016, additional firm capacity was made available from FGT and FPUA exercised rights to obtain this capacity. An additional 96,800 MMbtu of capacity was obtained. With this additional capacity, the amount of Sunrise capacity was reduced by 45,300 MMbtu via a revised interlocal agreement with the City of Sunrise. In FY 2017, FPUA will be entitled to firm capacity of 566,412 MMbtu, and will be committed to purchase 150,000 MMbtu of natural gas at

an approximate cost of $528. The amounts purchased under these contracts, for FY 2015 and FY 2016 were $1,862 and $1,506 respectively.

FMPA Treasure Coast Energy Center

FPUA has entered into an agreement with FMPA to manage and operate their facility located in St. Lucie County near Fort Pierce. The Treasure Coast Energy Center (TCEC) is a natural gas fueled power generation site. The initial terms of this agreement commenced on July 24, 2007 and expired on September 30, 2011, after which the agreement became a one-year evergreen. The agreement has been extended for the year ended September 30, 2016.

FPUA has been engaged to manage, operate and maintain the TCEC. TCEC employees are on the payroll of FPUA and all costs associated with them are reimbursed bi-weekly by FMPA. TCEC employee costs and revenue for FY 2015 and FY 2016 totaled $1,809 and $1,699 respectively.

NOTE O – EXTRAORDINARY ITEMS

FPUA transferred the ownership of the former site of the Henry D. King Power Plant to the Fort Pierce Redevelopment Agency (FPRA) on October 15, 2009. A grant awarded to the FPRA for the cleanup was not sufficient to cover the cost of remediation. The total actual cost to complete the remediation was slightly less than originally anticipated, as such FPUA has recorded income of $31. Voluntary Cleanup Tax Credits have been estimated to cover $2,285 of the project costs. The remaining amount expected to be paid by FPUA in FY 2017 is $21. Amounts payable to the FPRA at September 30, 2016 were $120. When the work on this project concludes, the final cost will be reevaluated as to the actual amounts received through tax credits.

NOTE P – NONEXCHANGE FINANCIAL GUARANTEES

At September 30, 2016 FPUA had irrevocable letters of credit with Harbor Community Bank, which serve as security for loans from the Treasure Coast Regional Planning Council (TCRPC) to the Fort Pierce Redevelopment Agency (FPRA) for cleanup of environmental contamination at the H.D. King Plant site (See Note O). The remaining balance of these loans as of September 30, 2016 is $702 and will begin to come due on August 20, 2018. No additional loans have been taken as of this report date. The recovery of these funds began in FY 2016 with the sale of the initial Voluntary Cleanup Tax Credits applied for by the FPRA.

REQUIRED SUPPLEMENTARY INFORMATION

FORT PIERCE UTILITIES AUTHORITY
Schedule of Funding Progress
For the Retiree Health Plan
(Dollars in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
9/30/2008	$ -	$ 2,094	$ 2,094	0.00%	$ 14,591	14.35%
9/30/2009	-	2,094	2,094	0.00%	14,711	14.23%
9/30/2010	-	2,274	2,274	0.00%	14,700	15.47%
9/30/2011	-	2,274	2,274	0.00%	14,028	16.21%
9/30/2012	-	709	709	0.00%	13,637	5.20%
9/30/2013	-	709	709	0.00%	13,977	5.07%
9/30/2014	-	786	786	0.00%	14,269	5.51%
9/30/2015	-	786	786	0.00%	14,430	5.45%
9/30/2016	-	609	609	0.00%	15,032	4.05%

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

FORT PIERCE UTILITIES AUTHORITY
Schedule of Proportionate Share of the Net Pension Liability
For the City of Fort Pierce Retirement and Benefit System
(Dollars in Thousands)

Fiscal Year Ending September 30,	FPUA Proportion of the *NPL	FPUA Proportionate Share of the *NPL	FPUA Covered Payroll	*NPL as a % of Covered Payroll	Plan Net Position as a % of Total Pension Liability
2014	41.74%	$ 1,750	$ 12,495	14.01%	98.20%
2015	41.74%	5,528	12,552	44.04%	92.95%
2016	44.83%	6,655	13,214	50.36%	92.51%

* Net Pension Liability

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.


FORT PIERCE
UTILITIES AUTHORITY

Statistical Section

This part of the Fort Pierce Utilities Authority's (FPUA) Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about FPUA's overall financial health. Statistical information for the current period, as well as nine years prior, is presented in this section. Historical data that is unavailable for the full nine years prior has been presented to include the earliest periods for which that information is readily accessible.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how FPUA's financial performance and well being has changed over time.	55-61
Revenue Capacity These schedules contain information to help the reader assess FPUA's local revenue source.	63-72
Debt Capacity These schedules present information to help the reader assess FPUA's debt burden and its ability to issue additional debt in the future.	73-77
Demographic and Economic Information This schedule offers demographic and economic indicators to help the reader understand the environment in which FPUA's financial activities take place.	79-81
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in FPUA's financial report relates to the services FPUA provides and the activities it performs.	83-92

Sources: Unless otherwise noted, the information in these schedules was obtained from the Comprehensive Annual Financial Reports for the relevant year.


FORT PIERCE
UTILITIES AUTHORITY

Financial Trends

FORT PIERCE UTILITIES AUTHORITY

Statement of Net Position - Assets and Deferred Outflows

Last Ten Fiscal Years

(Dollars in Thousands)

	2016	2015	2014
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	$ 25,020	$ 27,712	$ 29,371
Accounts Receivable, Net of Allowance for Uncollectible Accounts	9,072	8,149	7,256
Unbilled Receivables	5,432	5,534	5,959
Due from Other Governments	424	422	447
Inventories and Other Current Assets	4,546	5,009	4,877
Restricted Equity in Pooled Cash and Investments	20,492	20,757	20,306
Restricted Cash with Fiscal Agent	1,083	1,308	1,300
Restricted Accrued Interest Receivable	-	-	-
Total Current Assets	66,069	68,891	69,516
Noncurrent Assets:			
Capital Assets:			
Utility Plant in Service	434,848	423,324	414,941
Construction Work in Progress	22,547	24,768	20,472
Less Accumulated Depreciation	(241,651)	(231,252)	(219,917)
Total Capital Assets (net of Accumulated Depreciation)	215,744	216,840	215,496
Other Noncurrent Assets:			
Restricted Equity in Pooled Cash and Investments	6,857	6,703	6,703
FMPA Working Capital Receivable	1,919	1,919	1,919
Preliminary Survey	41	6	29
Investment in Public Gas Partners Pool	537	587	624
Total Other Noncurrent Assets	9,354	9,215	9,275
Total Assets	291,167	294,946	294,287
DEFERRED OUTFLOWS OF RESOURCES			
Advance Distribution to General Fund - City of Fort Pierce	-	1,251	1,250
Deferred Pension	4,891	3,689	-
Deferred Amount on Debt Refunding	151	-	-
Purchased Power and Gas Under-Collection	-	-	-
Total Deferred Outflows	5,042	4,940	1,250
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 296,209	$ 299,886	$ 295,537

All reporting periods have been retroactively and comparably restated to implement the provisions of GASB 63 and GASB 65.

FORT PIERCE UTILITIES AUTHORITY

Statement of Net Position - Assets and Deferred Outflows

Last Ten Fiscal Years

(Dollars in Thousands)

2013	2012	2011	2010	2009	2008	2007
$ 32,533	$ 30,179	$ 27,588	$ 20,395	$ 10,499	$ 11,185	$ 10,509
7,137	7,438	7,683	8,089	9,139	8,050	8,289
5,380	5,260	5,352	5,771	6,618	6,297	5,228
447	547	547	661	587	1,056	4,413
4,716	4,679	4,672	5,119	5,932	6,440	6,214
14,483	13,991	13,789	13,354	13,648	13,862	12,469
7,471	7,819	7,681	7,666	6,858	7,388	14,896
-	-	-	-	-	-	45
72,167	69,913	67,312	61,055	53,281	54,278	62,063
411,561	406,146	397,577	386,310	376,645	346,425	359,395
15,750	15,485	15,958	22,300	24,307	37,686	33,161
(210,951)	(199,294)	(184,610)	(171,752)	(157,277)	(146,325)	(179,231)
216,360	222,337	228,925	236,858	243,675	237,786	213,325
6,703	6,703	6,703	6,703	3,223	3,223	3,223
1,919	1,919	1,919	1,919	1,919	1,919	1,919
29	30	80	23	23	2,669	218
658	830	841	864	1,022	-	-
9,309	9,482	9,543	9,509	6,187	7,811	5,360
297,836	301,732	305,780	307,422	303,143	299,875	280,748
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	910	-
-	-	-	-	-	910	-
$ 297,836	$ 301,732	$ 305,780	$ 307,422	$ 303,143	$ 300,785	$ 280,748

FORT PIERCE UTILITIES AUTHORITY

Statement of Net Position - Liabilities, Deferred Inflows and Net Position

Last Ten Fiscal Years

(Dollars in Thousands)

	2016	2015	2014
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	$ 7,900	$ 9,577	$ 10,066
Due to City of Fort Pierce	913	781	766
Customer Deposits - restricted assets	8,024	7,803	7,445
Revenue Bonds Payable - restricted assets	7,367	7,086	6,987
Accrued Interest Payable - restricted assets	971	1,145	1,197
Accrued Compensated Absences	24	170	55
Capital leases Payable	38	31	26
Other Current Liabilities	859	873	831
Total Current Liabilities	26,096	27,466	27,373
Noncurrent Liabilities:			
Revenue Bonds Payable, Net of Unamortized Discounts	71,085	76,754	82,375
Accrued Compensated Absences	1,778	1,592	1,878
Other Post Employment Benefits	711	681	622
Net Pension Liability	6,655	5,528	1,750
Due to St. Lucie County	131	137	137
Capital Leases Payable	11	49	80
Other Noncurrent Liabilities	-	-	713
Total Noncurrent Liabilities	80,371	84,741	87,555
Total Liabilities	106,467	112,207	114,928
DEFERRED INFLOWS OF RESOURCES			
Purchased Power and Gas Over-Recovery	3,516	5,694	3,204
Deferred Pension Inflow	1,228	-	-
Deferred Amount on Debt Refunding	-	10	30
Total Deferred Inflow of Resources	4,744	5,704	3,234
NET POSITION			
Net Investment in Capital Assets	137,337	132,680	125,879
Restricted Capital Improvement Charges	5,213	6,031	5,977
Restricted For Debt Service	5,457	4,930	4,535
Restricted For Emergencies	900	1,273	1,668
Restricted For Renewals & Replacements	500	500	500
Restricted For Capital Projects	-	-	-
Unrestricted	35,591	36,561	38,816
Total Net Position	184,998	181,975	177,375
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 296,209	$ 299,886	$ 295,537

All reporting periods have been retroactively and comparably restated to implement the provisions of GASB 63 and GASB 65.

FORT PIERCE UTILITIES AUTHORITY

Statement of Net Position - Liabilities, Deferred Inflows and Net Position

Last Ten Fiscal Years

(Dollars in Thousands)

2013	2012	2011	2010	2009	2008	2007
$ 9,295	$ 7,785	$ 8,044	$ 7,020	$ 8,289	$ 10,892	$ 11,617
732	699	689	756	718	810	1,287
7,205	6,869	6,675	6,339	5,866	5,324	5,112
6,653	5,955	5,675	5,655	5,797	5,350	5,138
1,356	1,864	2,006	2,011	1,208	1,316	1,418
-	82	80	64	1,294	1,284	1,312
22	39	32	27	-	-	-
1,312	1,351	1,419	1,276	540	458	779
26,575	24,644	24,620	23,148	23,712	25,434	26,663
87,978	92,493	97,460	102,291	102,371	106,694	110,607
1,830	1,675	1,566	1,626	671	864	878
564	509	456	148	13	-	-
177	189	201	234	-	-	-
105	-	39	71	-	-	-
757	700	-	-	-	-	-
91,411	95,566	99,722	104,370	103,055	107,558	111,485
117,986	120,210	124,342	127,518	126,767	132,992	138,148
2,255	3,147	2,934	1,541	609	-	589
-	-	-	-	-	-	-
60	-	-	-	-	-	-
2,315	3,147	2,934	1,541	609	-	589
121,450	123,713	125,837	129,259	136,360	127,468	107,203
6,740	7,122	7,114	7,015	7,781	8,538	7,357
4,139	3,744	3,480	3,480	-	-	-
2,000	2,000	2,000	2,000	2,000	2,000	2,000
564	959	1,223	1,223	1,223	1,223	1,223
-	-	-	-	-	721	8,386
42,642	40,837	38,850	35,386	28,403	27,843	15,842
177,535	178,375	178,504	178,363	175,767	167,793	142,011
$ 297,836	$ 301,732	$ 305,780	$ 307,422	$ 303,143	$ 300,785	$ 280,748

FORT PIERCE UTILITIES AUTHORITY

Statement of Revenues, Expenses and Changes in Net Position

Last Ten Fiscal Years

(Dollars in Thousands)

	FY 2016	FY 2015	FY 2014	FY 2013
OPERATING REVENUES				
Residential Sales	$ 41,432	$ 39,558	$ 39,565	$ 38,489
General Service Sales	53,811	52,964	55,899	55,518
Sales for Resale	914	874	799	854
Other Operating Revenues	2,264	2,162	2,272	2,172
Total Operating Revenues	98,421	95,558	98,534	97,033
OPERATING EXPENSES				
Generation	-	-	-	-
Purchases for Resale	43,783	42,304	45,347	44,800
Plant Operations	5,313	5,325	5,247	5,127
Field Operations	9,062	8,641	8,716	8,579
General and Administrative	16,997	15,802	15,078	14,546
Depreciation	13,097	12,461	14,991	15,300
Total Operating Expenses	88,252	84,533	89,379	88,352
OPERATING INCOME	10,169	11,025	9,155	8,681
NONOPERATING REVENUES (EXPENSES)				
Investment and Other Income	2,136	2,171	2,232	1,961
Grant Revenue	-	81	6	12
TCEC Expenses	(1,699)	(1,809)	(1,667)	(1,654)
Storm Expenses	-	-	-	-
Interest Expense	(3,445)	(3,594)	(3,582)	(5,105)
Property Transfer to FPRA	-	-	-	-
Distribution to City of Fort Pierce	(5,809)	(5,735)	(5,605)	(5,366)
Total Nonoperating Revenues (Expenses)	(8,817)	(8,886)	(8,616)	(10,152)
INCOME BEFORE CAPITAL CONTRIBUTIONS	1,352	2,139	539	(1,471)
Capital Contributions	1,650	2,471	1,478	1,392
INCOME BEFORE EXTRAORDINARY ITEMS	3,002	4,610	2,017	(79)
Extraordinary Income (Expense)	21	(10)	(427)	(761)
CHANGE IN NET POSITION	3,023	4,600	1,590	(840)
Net Position - Beginning of Year*	181,975	177,375	177,535	178,375
Net Position - End of Year	$ 184,998	$ 181,975	$ 179,125	$ 177,535

All reporting periods have been retroactively and comparably restated to implement the provisions of GASB 63 and GASB 65.
**FY 2015 Beginning of Year Net Position restated to reflect GASB 68 adjustment.*

FORT PIERCE UTILITIES AUTHORITY

Statement of Revenues, Expenses and Changes in Net Position

Last Ten Fiscal Years

(Dollars in Thousands)

FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
$ 38,275	$ 40,220	$ 44,528	$ 43,422	$ 42,876	$ 38,861
55,162	55,736	60,431	61,908	62,219	53,624
882	465	747	711	580	631
2,171	1,663	2,552	2,832	2,602	2,388
96,490	98,084	108,258	108,873	108,277	95,504
-	-	-	1	939	1,602
44,356	45,695	53,893	54,812	54,797	44,679
5,336	5,275	5,724	5,657	5,756	5,030
8,236	8,124	8,827	9,148	8,889	8,579
14,645	15,260	14,949	15,482	15,858	15,846
15,253	15,558	15,268	14,201	13,756	15,020
87,826	89,912	98,661	99,301	99,995	90,756
8,664	8,172	9,597	9,572	8,282	4,748
2,211	2,277	2,407	2,271	2,404	3,125
8	-	230	626	5,234	3,541
(1,642)	(1,570)	(1,492)	(1,491)	(480)	-
-	-	-	(87)	(96)	(234)
(4,632)	(4,894)	(5,688)	(3,990)	(4,160)	(4,916)
-	-	(511)	-	-	-
(4,767)	(5,125)	(4,853)	(5,046)	(4,952)	(4,209)
(8,822)	(9,312)	(9,907)	(7,717)	(2,050)	(2,693)
(158)	(1,140)	(310)	1,855	6,232	2,055
1,229	1,291	2,982	6,465	19,156	16,208
1,071	151	2,672	8,320	25,388	18,263
(1,200)	(10)	(76)	(346)	394	-
(129)	141	2,596	7,974	25,782	18,263
178,504	178,363	175,767	167,793	142,011	123,748
$ 178,375	$ 178,504	$ 178,363	$ 175,767	$ 167,793	$ 142,011


FORT PIERCE
UTILITIES AUTHORITY

Revenue Capacity


FORT PIERCE
UTILITIES AUTHORITY

FORT PIERCE UTLITIES AUTHORITY

Average Number of Services Billed By System

Last Ten Fiscal Years

FISCAL YEAR	ELECTRIC	WATER	NATURAL GAS	WASTEWATER
FY 2016	28,299	20,079	4,166	15,069
FY 2015	28,221	19,929	4,189	15,038
FY 2014	28,096	19,756	4,223	14,987
FY 2013	27,630	19,248	4,179	14,635
FY 2012	27,765	19,276	4,189	14,450
FY 2011	27,752	19,162	3,904	14,372
FY 2010	27,859	19,048	3,982	14,460
FY 2009	28,413	19,394	4,039	14,842
FY 2008	28,584	19,278	4,171	14,737
FY 2007	26,883	17,711	4,304	13,428

FORT PIERCE UTILITIES AUTHORITY

Operating Revenues By System

Last Ten Fiscal Years

(Dollars in Thousands)

	FY 2016	FY 2015	FY 2014	FY 2013
ELECTRIC				
Residential				
Inside the City	$ 22,718	$ 21,434	$ 21,724	$ 21,325
Outside the City	5,600	5,255	5,282	5,281
General Service				
Inside the City	29,077	28,423	30,507	31,515
Outside the City	5,039	4,958	5,235	5,254
Other Retail	1,680	1,750	1,979	2,012
Other Operating Revenues	1,042	1,024	1,074	1,115
Total Electric Operating Revenues	65,156	62,844	65,801	66,502
WATER				
Residential				
Inside the City	4,710	4,546	4,351	4,054
Outside the City	1,680	1,597	1,494	1,367
General Service				
Inside the City	5,498	5,305	5,169	4,813
Outside the City	2,625	2,381	2,519	2,249
Sales for Resale	914	874	799	854
Other Operating Revenues	110	101	156	119
Total Water Operating Revenues	15,537	14,804	14,488	13,456
GAS				
Sales Revenue				
Residential	1,192	1,240	1,293	1,251
Heat Only	11	12	13	13
General Service	3,106	3,511	3,813	3,331
Other Operating Revenues	69	85	82	53
Total Gas Operating Revenues	4,378	4,848	5,201	4,648
WASTEWATER				
Residential				
Inside the City	4,874	4,826	4,763	4,564
Outside the City	572	574	570	555
General Service				
Inside the City	5,547	5,280	5,305	4,973
Outside the City	1,314	1,428	1,446	1,449
Other Operating Revenues	141	126	180	143
Total Wastewater Operating Revenues	12,448	12,234	12,264	11,684
MANATEE OBSERVATION AND EDUCATION CENTER				
Total MOEC Operating Revenues	410	390	350	348
FPUAnet COMMUNICATIONS				
Total FPUAnet Operating Revenues	492	438	430	395
TOTAL OPERATING REVENUES	$ 98,421	$ 95,558	$ 98,534	$ 97,033

FORT PIERCE UTILITIES AUTHORITY

Operating Revenues By System

Last Ten Fiscal Years

(Dollars in Thousands)

FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
$ 21,460	$ 22,936	$ 26,327	$ 25,398	$ 25,084	$ 22,077
5,378	5,921	6,882	6,821	6,922	6,503
32,280	32,822	36,501	38,192	37,642	31,253
5,393	5,558	6,458	6,945	7,460	6,275
1,895	1,663	1,657	1,651	1,632	1,531
1,051	1,148	1,192	1,189	1,171	1,091
67,457	70,048	79,017	80,196	79,911	68,730
3,855	3,819	3,749	3,729	3,580	3,453
1,277	1,263	1,225	1,207	1,194	1,216
4,807	4,956	4,697	4,616	4,343	4,268
2,348	2,288	2,336	2,033	2,062	1,981
882	466	747	711	580	630
124	(45)	254	345	299	265
13,293	12,747	13,008	12,641	12,058	11,813
1,215	1,306	1,462	1,367	1,443	1,366
11	21	24	19	16	13
2,400	2,580	2,827	2,566	3,213	2,767
75	120	92	82	100	91
3,701	4,027	4,405	4,034	4,772	4,237
4,459	4,337	4,251	4,233	3,980	3,607
541	551	540	577	577	529
4,918	4,745	4,686	4,665	4,718	4,371
1,198	1,188	1,337	1,311	1,230	1,276
234	(245)	356	657	503	526
11,350	10,576	11,170	11,443	11,008	10,309
337	362	359	362	407	347
352	324	299	197	121	68
$ 96,490	$ 98,084	$ 108,258	$ 108,873	$ 108,277	$ 95,504

FORT PIERCE UTILITIES AUTHORITY
Unit Sales By System
Last Ten Fiscal Years

	FY 2016	FY 2015	FY 2014	FY 2013
ELECTRIC SALES (MWh)				
General Service				
Inside the City	272,166	267,525	265,950	264,278
Outside the City	44,243	43,850	42,305	41,000
Total General Service	316,409	311,375	308,255	305,278
Residential				
Inside the City	193,198	184,261	172,628	164,672
Outside the City	45,883	43,522	40,445	39,293
Total Residential	239,081	227,783	213,073	203,965
Total Sales	555,490	539,158	521,328	509,243
WATER SALES - 1,000 GALLONS				
General Service				
Inside the City	907,134	896,997	891,635	863,507
Outside the City	485,639	442,529	498,887	460,394
Total General Service	1,392,773	1,339,526	1,390,522	1,323,901
Residential				
Inside the City	665,354	664,402	644,116	636,431
Outside the City	181,754	179,748	169,702	164,871
Total Residential	847,108	844,150	813,818	801,302
Sales for Resale	327,819	320,144	302,486	340,834
Total Sales	2,567,700	2,503,820	2,506,826	2,466,037
NATURAL GAS SALES (ccf)				
General Service	2,024,641	2,091,516	2,006,259	2,254,172
Residential	436,048	453,139	450,403	480,393
Heat Only				
General Service	181	128	173	258
Residential Service	857	1,605	1,215	1,333
Compressed Natural Gas	-	-	-	-
Contract Natural Gas	1,593,130	1,642,320	1,670,980	1,259,670
Total Sales	4,054,857	4,188,708	4,129,030	3,995,826
WASTEWATER BILLED - 1,000 GALLONS				
General Service				
Inside the City	712,513	687,268	682,611	655,667
Outside the City	158,987	177,356	178,122	185,993
Total General Service	871,500	864,624	860,733	841,660
Residential				
Inside the City	567,945	568,243	552,000	545,418
Outside the City	46,633	49,849	47,286	47,361
Total Residential	614,578	618,092	599,286	592,779
Total Sales	1,486,078	1,482,716	1,460,019	1,434,439

FORT PIERCE UTILITIES AUTHORITY

Unit Sales By System

Last Ten Fiscal Years

FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
271,001	271,831	276,163	274,364	296,830	288,386
41,285	40,909	42,713	44,028	52,065	51,024
312,286	312,740	318,876	318,392	348,895	339,410
165,063	174,586	182,246	167,567	177,989	182,701
39,657	42,763	45,037	42,652	46,510	51,439
204,720	217,349	227,283	210,219	224,499	234,140
517,006	530,089	546,159	528,611	573,394	573,550
925,939	943,061	943,673	968,125	992,802	1,064,195
527,997	511,172	489,094	447,579	486,689	518,064
1,453,936	1,454,233	1,432,767	1,415,704	1,479,491	1,582,259
652,425	671,797	664,130	675,421	690,728	764,785
167,297	173,431	169,817	170,748	174,995	204,754
819,722	845,228	833,947	846,169	865,723	969,539
367,595	355,607	331,747	304,839	228,150	256,842
2,641,253	2,655,068	2,598,461	2,566,712	2,573,364	2,808,640
2,142,737	2,199,004	2,166,792	2,126,758	2,211,306	2,174,979
473,387	527,745	577,206	566,475	555,342	575,464
215	6,027	6,210	5,672	3,740	41
1,272	4,238	5,160	3,498	2,527	3,021
-	-	-	-	-	1,357
63,230	-	-	-	-	-
2,680,841	2,737,014	2,755,368	2,702,403	2,772,915	2,754,862
680,739	682,993	683,051	718,280	787,510	817,915
149,452	156,973	186,910	200,068	200,696	235,321
830,191	839,966	869,961	918,348	988,206	1,053,236
558,685	572,258	570,145	579,037	596,635	645,632
49,426	53,014	53,949	59,280	63,994	68,932
608,111	625,272	624,094	638,317	660,629	714,564
1,438,302	1,465,238	1,494,055	1,556,665	1,648,835	1,767,800

FORT PIERCE UTILITIES AUTHORITY
Ten Year Rate Analysis
Residential Rates
(Month of September)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
ELECTRIC										
Customer Charge[1]	$ 6.01	$ 6.01	$ 6.01	$ 6.01	$ 6.01	$ 6.01	$ 6.01	$ 6.01	$ 6.01	$ 5.77
Rate Per kWh *(up to 750 kWh)*	0.10822	0.10822	0.10822	0.10922	0.11322	0.08322	0.08722	0.08722	0.08722	0.08373
PCA Per kWh[2]	(0.00900)	(0.00300)	0.00800	0.00500	0.00200	0.03400	0.04400	0.05400	0.05400	$0.02200
GAS										
Customer Charge[1]	$ 13.14	$ 13.14	$ 13.14	$ 12.93	$ 12.63	$ 12.32	$ 12.02	$ 12.02	$ 11.17	$ 10.00
Rate Per CCF *(up to 100 CCF)*	1.46	1.46	1.46	1.44	1.42	1.23	1.20	1.20	1.12	1.00
PGA Per CCF[3]	(0.10000)	(0.05000)	0.10000	-	-	0.30000	0.30000	0.25000	1.15000	0.50800
WATER										
Customer Charge[1]	$ 13.88	$ 13.48	$ 13.09	$ 12.62	$ 11.85	$ 11.56	$ 11.28	$ 11.28	$ 10.75	$ 10.44
Rate Per 1,000 Gallons *(up to 10,000 gallons)*	3.55	3.45	3.35	3.23	3.03	2.96	2.89	2.89	2.75	2.67
WASTEWATER										
Customer Charge[1]	$ 15.30	$ 15.30	$ 15.30	$ 15.06	$ 14.71	$ 14.35	$ 14.00	$ 14.00	$ 13.33	$ 12.23
Rate Per 1,000 Gallons	5.49	5.49	5.49	5.40	5.27	5.14	5.01	5.01	4.77	4.38

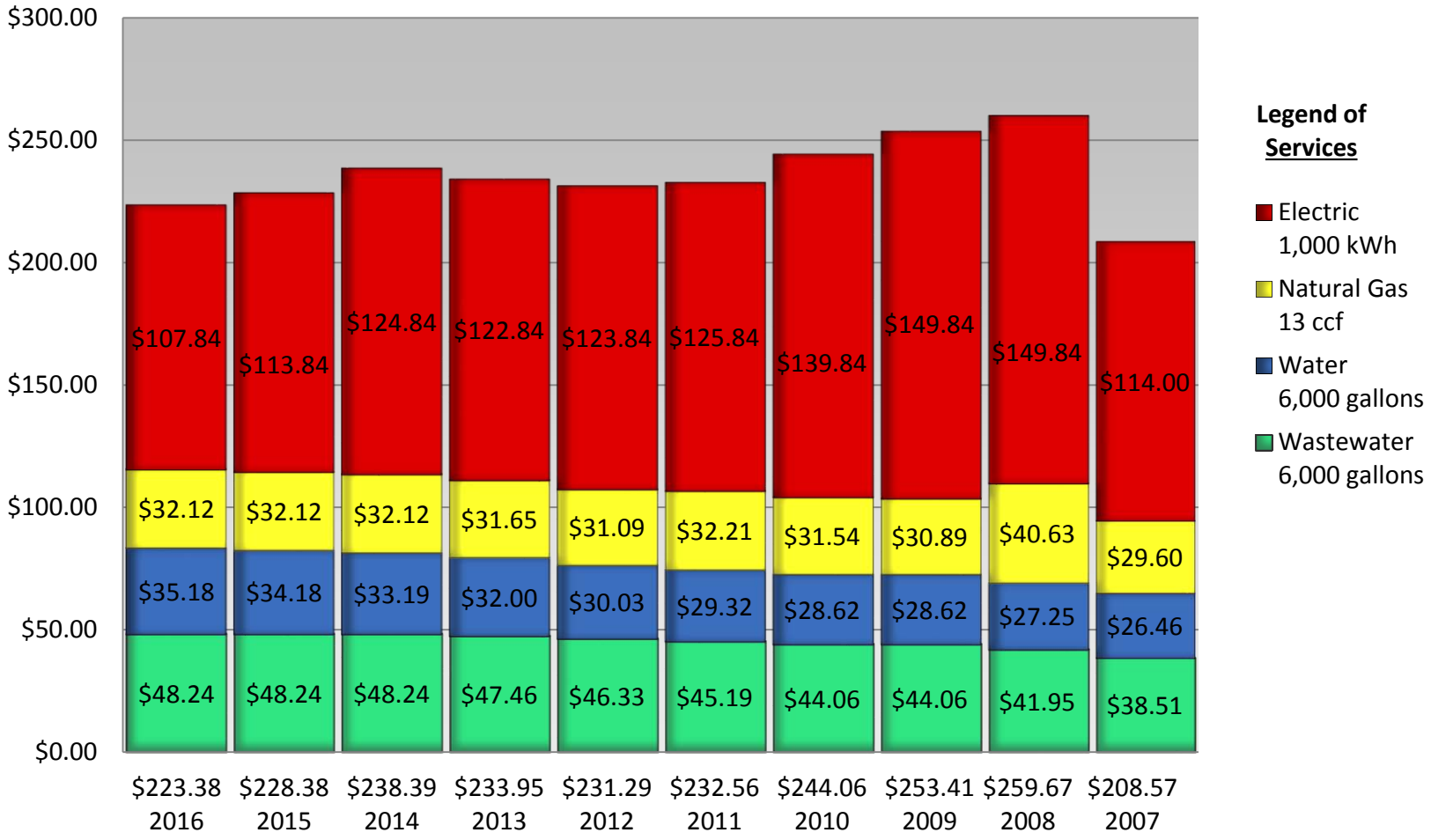
(1) Customer Charge reflects the Readiness-to-Serve charge.
(2) "PCA" means Power Cost Adjustment.
(3) "PGA" means Purchased Gas Adjustment.

FORT PIERCE UTILITIES AUTHORITY

Average Monthly Residential Bill

Last Ten Years

(Month of September)



FORT PIERCE UTILITIES AUTHORITY

System Rate Increases

Last Ten Fiscal Years

Fiscal Year	System	Increase (Decrease)
2016	Water	3.0%
2015	Water	3.0%
2014	Electric	(0.9%)
	Water	3.7%
	Wastewater	1.6%
	Natural Gas	1.6%
2013	Electric	(3.3%)
	Water	6.5%
	Wastewater	2.4%
	Natural Gas	2.4%
2012	Water	2.5%
	Wastewater	2.5%
	Natural Gas	2.5%
2011	Electric	(4.2%)
	Water	2.5%
	Wastewater	2.5%
	Natural Gas	2.5%
2010	-	-
2009	Water	5%
	Wastewater	5%
	Natural Gas	5%
2008	Electric	3%
	Water	3%
	Wastewater	9%
	Natural Gas	9%
2007	Electric	6%
	Water	12%
	Wastewater	10%

Debt Capacity

FORT PIERCE UTILITIES AUTHORITY
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands)

As of September 30	BUSINESS-TYPE ACTIVITIES									Total All Debt Issues	Ratio to Operating Revenue	Operating [1] Revenue
	Loans		Leases	Revenue Bonds								
	FMPA	SLC	Capital Equip.	1991 Series	1999 Series	2002 Series	2009 Series	2012 Series	2016 Series			
2007	$ 30,752	$ -	$ -	$ 9,042	$ 25,608	$ 9,545	$ -	$ -	$ -	$ 74,947	78%	$ 95,504
2008	30,619	-	-	9,751	22,740	9,545	-	-	-	72,655	67%	108,277
2009	30,479	-	121	10,504	19,754	9,545	-	-	-	70,403	65%	108,873
2010	-	234	98	5,445	20,644	9,545	34,800	-	-	70,766	65%	108,258
2011	-	201	71	-	21,588	9,545	34,800	-	-	66,205	67%	98,084
2012	-	189	39	-	22,590	9,545	34,800	-	-	67,163	70%	96,490
2013	-	177	127	-	23,654	9,545	34,800	20,896	-	89,199	92%	97,033
2014	-	137	106	-	24,774	9,545	34,800	20,498	-	89,860	91%	98,534
2015	-	137	80	-	25,974	9,545	34,800	13,751	-	84,287	88%	95,558
2016	-	131	49	-	27,245	-	34,800	6,920	9,545	78,690	80%	98,421

Note: Details regarding Fort Pierce Utilities Authority's outstanding debt can be found in the notes to the financial statements

[1] See the schedule of Operating Revenues By System on page 66 for more detailed data.

FORT PIERCE UTILITIES AUTHORITY

Principal Payments Payable on All Debt Issues

Through Fiscal Year 2030

(Dollars in Thousands)

Payments Due for FY	Total for All Debt Issues	St. Lucie County	Revenue Bonds			
			1999 Series	2009 Series	2012 Series	2016 Series
2017	$ 7,367	$ -	$ 275	$ -	$ 6,920	$ 172
2018	5,840	-	4,335	1,210	-	295
2019	6,028	131	4,340	1,255	-	302
2020	5,953	-	4,335	1,310	-	308
2021	6,015	-	4,340	1,360	-	315
2022	6,076	-	4,335	1,420	-	321
2023	6,138	-	4,340	1,470	-	328
2024	6,210	-	4,335	1,540	-	335
2025	6,283	-	4,335	1,605	-	343
2026	6,360	-	-	2,985	-	3,375
2027	6,581	-	-	3,130	-	3,451
2028	3,285	-	-	3,285	-	-
2029	6,945	-	-	6,945	-	-
2030	7,285	-	-	7,285	-	-
	$ 86,366	$ 131	$ 34,970	$ 34,800	$ 6,920	$ 9,545

FORT PIERCE UTILITIES AUTHORITY

Computation of Debt Service Coverage

Last Ten Years

(Dollars in Thousands)

	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
OPERATING INCOME *	$ 10,218	$ 11,027	$ 9,236	$ 8,746	$ 8,700	$ 8,175	$ 9,614	$ 9,616	$ 8,276	$ 4,757
ADD:										
Depreciation Expense	13,092	12,453	14,982	15,290	15,243	15,547	15,259	14,193	13,747	15,008
Investment & Other Income	388	356	484	304	535	703	910	740	1,943	3,117
Extraordinary Income (Expense)	21	(10)	(427)	(761)	(1,200)	(9)	(76)	(346)	394	-
Net OPEB Expense	30	58	57	54	53	305	134	13	-	-
LESS:										
Interest on Construction Funds	-	-	-	-	-	-	-	-	238	944
NET AVAILABLE INCOME	$ 23,749	$ 23,884	$ 24,332	$ 23,633	$ 23,331	$ 24,721	$ 25,841	$ 24,216	$ 24,122	$ 21,938
DEBT SERVICE - Bonds & Pooled Loans										
Principal	$ 7,367	$ 7,086	$ 6,987	$ 6,653	$ 5,955	$ 5,675	$ 5,655	$ 5,797	$ 5,350	$ 5,138
Interest	2,079	2,291	2,394	2,762	3,728	4,012	3,573	3,033	3,539	4,197
NET CASH DEBT SERVICE	$ 9,446	$ 9,377	$ 9,381	$ 9,415	$ 9,683	$ 9,687	$ 9,228	$ 8,830	$ 8,889	$ 9,335
DEBT SERVICE COVERAGE (TIMES)	2.51	2.55	2.59	2.51	2.41	2.55	2.80	2.74	2.71	2.35

***** Excludes the Manatee Observation and Education Center

LEGAL DEBT MARGIN INFORMATION

Neither the City of Fort Pierce Charter or Code, nor the Florida Statutes limit the amount of debt the Fort Pierce Utilities Authority can issue.


FORT PIERCE
UTILITIES AUTHORITY

Demographic and Economic Information

FORT PIERCE UTILITIES AUTHORITY
Demographic and Economic Information
Last Ten Years

Year	City of Fort Pierce Population[1]	St. Lucie County Population[1]	St. Lucie County Labor Force[2]	Total Unemployment[2]	Percentage Rate of Unemployment[2]	St. Lucie County School Enrollment[3]	St. Lucie County Per Capita Income[4]	St. Lucie County Personal Income[4]
2016	42,489 *	292,826 *	133,166	7,957	6.0	39,390	***	***
2015	42,119	287,749	129,727	8,238	6.4	41,374	$35,625	$10,636,320
2014	41,188	282,821	129,004	10,198	7.9	41,158	$34,129	$9,932,383
2013	41,729	281,151	128,813	12,227	9.5	41,136	31,182	8,943,912
2012	41,646	280,355	123,588	14,519	11.7	40,844	31,742	9,010,473
2011	41,789	279,696	124,115	16,622	13.4	40,433	30,768	8,626,570
2010	41,590	277,789	123,738	17,482	14.1	40,453	29,574	8,243,330
2009	44,251	272,864	123,659	17,619	14.2	41,678	29,526	7,868,831
2008	44,227	276,585	124,155	10,343	8.6	39,346	29,115	7,734,345
2007	41,972	271,961	120,090	8,260	6.9	37,380	28,056	7,297,176

Sources:

[1] University of Florida, Bureau of Economic & Business Research

[2] Florida Department of Labor & Employment Security

[3] St. Lucie County School Board

[4] U.S. Department of Commerce, Bureau of Economic Analysis

* Total Estimated

*** Data unavailable

FORT PIERCE UTILITIES AUTHORITY

Principal Employers

Current Year and Eight Years Prior

		2016 [1]			2008		
Employer	**Business Sector**	**Number of Employees**	**Rank**	**% of City Population**	**Number of Employees**	**Rank**	**% of City Population**
St. Lucie County School Board	Public	5,465	1	12.86%	4,685	1	10.59%
Indian River State College	Public	2,338	2	5.50%	2,476	2	5.60%
Lawnwood Regional Medical Center	Private	1,339	3	3.15%	1,200	4	2.71%
Convey Health Solutuions	Private	950	4	2.24%	-	-	-
Wal-Mart	Private	890	5	2.09%	1,235	3	2.79%
St. Lucie County	Public	763	6	1.80%	898	6	2.03%
St. Lucie County Fire District	Public	434	7	1.02%	-	-	-
Treasure Coast Hospice	Private	425	8	1.00%	-	-	-
Blue Goose Growers/Construction	Private	400	9	0.94%	-	-	-
New Horizons of the Treasure Coast	Private	360	10	0.85%	398	10	0.90%
City of Fort Pierce	Public	-	-	-	412	8	0.93%
The Home Depot [2]	Private	-	-	-	425	7	0.96%
Riverside National Bank of Florida	Private	-	-	-	404	9	0.91%
Publix Super Markets Inc	Private	-	-	-	1,148	5	2.60%
TOTALS		**13,364**		31.45%	**13,281**		30.03%

Source:

Indian River State College, Institutional Advancement

[1] Data is as of February 25, 2017

[2] 2008 data not available, previous year total shown

Historical data not available for years prior to 2008


FORT PIERCE
UTILITIES AUTHORITY

Operating Information

FORT PIERCE UTILITIES AUTHORITY

Expenses By System

Last Ten Fiscal Years

(Dollars in Thousands)

	FY 2016	FY 2015	FY 2014	FY 2013
ELECTRIC				
Generation and Purchases for Resale	$ 42,179	$ 40,343	$ 43,006	$ 42,947
Transmission and Distribution	4,091	3,927	4,017	4,037
General and Administrative	7,460	6,964	6,696	6,738
Depreciation	4,508	4,463	4,721	4,668
Total Electric Operating Expenses	58,238	55,697	58,440	58,390
WATER				
Purchases for Resale	-	7	24	9
Plant Operations	3,304	3,320	3,185	3,199
Transmission and Distribution	1,743	1,789	1,767	1,732
General and Administrative	4,726	4,426	4,207	4,158
Depreciation	4,454	3,872	4,246	4,044
Total Water Operating Expenses	14,227	13,414	13,429	13,142
NATURAL GAS				
Purchases for Resale	1,556	1,900	2,274	1,816
Supply and Distribution	1,251	1,016	1,018	961
General and Administrative	1,046	978	892	596
Depreciation	313	274	1,088	304
Total Natural Gas Operating Expenses	4,166	4,168	5,272	3,677
WASTEWATER				
Plant Operations	1,742	1,766	1,776	1,696
Pumping and Collection	1,977	1,909	1,913	1,849
General and Administrative	3,385	3,113	2,975	2,769
Depreciation	3,743	3,779	4,836	6,194
Total Wastewater Operating Expenses	10,847	10,567	11,500	12,508
MANATEE OBSERVATION AND EDUCATION CENTER				
Plant Operations	267	238	286	232
General and Administrative	186	145	136	114
Depreciation	6	8	9	11
Total MOEC Operating Expenses	459	391	431	357
FPUAnet COMMUNICATIONS				
Purchases for Resale	48	55	43	28
General and Administrative	194	175	173	171
Depreciation	73	66	91	79
Total FPUAnet Communications Operating Expenses	315	296	307	278
TOTAL OPERATING EXPENSES	$ 88,252	$ 84,533	$ 89,379	$ 88,352
OTHER REVENUE (EXPENSES) *	$ (3,008)	$ (3,511)	$ (3,012)	$ (4,786)

* Excludes Distribution to the City of Fort Pierce.

FORT PIERCE UTILITIES AUTHORITY

Expenses By System

Last Ten Fiscal Years

(Dollars in Thousands)

FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
$ 42,933	$ 43,976	$ 51,832	$ 52,851	$ 52,959	$ 43,958
3,783	3,814	4,299	4,445	4,423	4,259
6,885	7,423	7,217	7,605	8,051	8,263
6,477	6,420	4,761	4,984	6,960	8,862
60,078	61,633	68,109	69,885	72,393	65,342
-	6	-	2	18	-
3,309	3,331	3,557	3,348	3,223	2,917
1,743	1,567	1,722	1,816	1,575	1,533
4,183	4,268	4,144	4,159	4,116	4,014
3,726	3,825	6,105	4,953	3,617	3,344
12,961	12,997	15,528	14,278	12,549	11,808
1,398	1,676	2,038	1,942	2,744	2,295
875	968	981	983	1,056	939
570	650	607	564	525	558
507	303	351	308	288	323
3,350	3,597	3,977	3,797	4,613	4,115
1,779	1,697	1,906	2,010	2,222	1,885
1,834	1,776	1,825	1,903	1,836	1,847
2,755	2,685	2,747	2,941	2,994	2,883
4,446	4,939	3,985	3,936	2,875	2,481
10,814	11,097	10,463	10,790	9,927	9,096
249	246	261	299	310	228
115	109	106	99	97	115
11	11	9	8	9	12
375	366	376	406	416	355
25	37	23	18	15	27
137	125	129	115	74	13
86	60	56	12	8	-
248	222	208	145	97	40
$ 87,826	$ 89,912	$ 98,661	$ 99,301	$ 99,995	$ 90,756
$ (4,147)	$ (4,277)	$ (4,366)	$ (2,702)	$ 2,850	$ 1,464

FORT PIERCE UTILITIES AUTHORITY

Performance Indicators

Last Ten Fiscal Years

	FY 2016	FY 2015	FY 2014	FY 2013
SAFETY				
Frequency Rate (calendar year)	4.11	3.96	4.10	4.10
Severity Rate (calendar year)	5.75	51.00	80.00	48.00
Workers' Compensation Experience Modification Factor	0.97	0.79	0.87	0.92
FINANCIAL				
Debt Service Ratio (12 months ended)	2.51	2.55	2.59	2.51
Operating Ratio	0.90	0.88	0.91	0.91
COMPONENT COSTS				
Water Treatment Plant				
$ / 1,000 gallons raw water	$2.02	$1.88	$1.94	$1.90
Water Reclamation Facility				
$ / 1,000 gallons effluent	$1.46	$2.46	$2.70	$1.93
Electric T&D				
$ / mile of T & D lines	$21,636.69	$20,112.83	$20,633.15	$20,516.14
$ / number of services	$27.27	$26.13	$27.11	$27.41
Water Distribution				
$ / 1,000 gallons billed	$1.88	$1.88	$1.89	$1.82
$ / number of services	$20.01	$19.69	$20.04	$19.44
Wastewater Collection				
$ / 1,000 gallons billed	$2.39	$2.36	$2.68	$3.87
$ / number of services	$19.61	$19.41	$21.77	$31.61
Natural Gas Distribution				
$ / 1,000 ccf billed	$0.49	$0.40	$0.59	$0.40
$ / number of services	$39.54	$33.16	$47.71	$31.89
Lift Stations				
$ / 1,000 gallons billed	$0.75	$0.71	$0.79	$0.80
$ / number of services	$6.14	$5.80	$6.38	$6.53
Industrial Pre-Treatment				
$ / Customers	$927.50	$985.46	$903.78	$698.46
FPUAnet Communications				
$ / Customers	$345.35	$348.35	$328.03	$306.83
Administration				
$ / number of services	$14.51	$14.59	$14.60	$15.74
HUMAN RESOURCES				
Overtime Ratio	0.050	0.046	0.046	0.042
Sick Leave Ratio	0.038	0.038	0.034	0.034
Overtime vs. Annual Overtime Budget	114.22%	120.48%	114.96%	107.47%
Training Hours vs. Regular Hours Worked	2.87%	2.93%	2.53%	2.48%
Training Dollars vs. Budgeted Salary Dollars	2.00%	1.92%	1.69%	1.80%
*Annual Turnover Rate	12.40%	8.60%	12.08%	13.25%
CUSTOMER SOLUTIONS				
Number of connections	14,109	15,663	16,238	16,001
Number of disconnections	13,316	14,800	15,338	15,206
Number of accounts to collection agency	1,622	1,890	1,852	1,584
Amount of accounts written off				
Electric	$200,966	$99,489	$256,860	$182,006
Water	$36,032	$17,826	$46,081	$32,638
Natural Gas	$2,639	$1,366	$3,302	$2,374
Wastewater	$32,324	$16,050	$41,325	$29,294
Customer Charges	$12,371	$6,141	$15,770	$11,181
Communications	$257	$42	$371	$231
Number of service orders				
Started	45,028	44,505	49,837	44,205
Completed	44,937	44,389	49,740	44,224

* Annual Turnover Rate indicators are presented on a fiscal year basis (except for years 2007-2009 which were calendar year basis).

FORT PIERCE UTILITIES AUTHORITY

Performance Indicators

Last Ten Fiscal Years

FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
4.90	3.60	1.20	1.50	3.70	4.10
24.00	122.00	61.00	21.00	126.00	18.00
1.25	1.11	1.28	0.95	1.00	1.00
2.41	2.55	2.80	2.74	2.71	2.35
0.91	0.92	0.91	0.91	0.92	0.95
$1.80	$1.79	$1.92	$1.79	$1.85	$1.40
$2.07	$2.45	$2.56	$2.40	$1.99	$1.94
$23,742.33	$24,841.57	$20,585.55	$21,579.20	$27,765.81	$24,430.86
$31.57	$30.95	$25.99	$26.71	$28.17	$26.35
$1.59	$1.54	$2.46	$2.20	$1.67	$1.44
$18.14	$17.79	$27.92	$24.24	$18.58	$19.08
$2.65	$2.86	$2.11	$1.78	$1.32	$1.13
$21.98	$24.34	$18.20	$15.55	$12.29	$12.53
$0.62	$0.57	$0.57	$0.58	$0.64	$0.92
$32.90	$33.36	$32.89	$32.21	$35.51	$48.96
$0.74	$0.76	$0.71	$0.69	$0.62	$0.52
$6.17	$5.97	$6.14	$6.02	$5.80	$5.74
$793.71	$1,246.28	$793.86	$614.11	$779.74	$840.66
$275.98	$325.26	$320.54	$185.64	$238.43	$175.00
$16.01	$17.15	$18.17	$16.31	$16.46	$17.09
0.040	0.036	0.040	0.039	0.050	0.040
0.034	0.039	0.042	0.034	0.036	0.035
100.48%	89.65%	80.00%	84.32%	101.53%	99.50%
1.52%	1.62%	2.32%	2.78%	3.14%	5.02%
1.23%	1.31%	1.16%	1.59%	1.45%	1.27%
6.77%	9.09%	6.34%	8.66%	4.76%	10.10%
16,360	16,077	17,441	17,956	14,820	9,823
15,419	15,038	16,300	16,137	11,734	4,744
1,535	1,888	2,240	2,233	1,880	2,876
$253,362	$197,638	$390,702	$360,046	$340,472	$226,878
$45,434	$35,433	$70,061	$64,559	$61,069	$40,744
$3,308	$2,582	$5,104	$4,697	$4,435	$2,944
$40,780	$31,805	$62,886	$57,951	$54,816	$36,587
$15,563	$12,136	$23,993	$16,354	$17,292	$15,434
$321	$249	$495	$454	$428	$318
50,182	56,278	59,489	64,640	61,974	55,217
44,991	48,149	56,799	65,166	61,907	55,706

FORT PIERCE UTILITIES AUTHORITY

Electric Energy Sources, Water and Wastewater Statistics

Last Ten Fiscal Years

	FY 2016	FY 2015	FY 2014	FY 2013
ELECTRIC STATISTICS				
Sources of Energy (MWh)				
Total Energy Purchased	583,207	559,061	544,751	532,038
Gross Peak Demand (MW)	112	107	106	104
WATER STATISTICS				
Water Production - 1,000 Gallons				
Raw Water Treated	3,015,157	2,911,231	2,880,512	2,889,435
Water from Distribution System	34,250	2,034	14,718	8,657
Less Deep Well Concentrate	(155,230)	(142,482)	(142,399)	(144,156)
Water Used in Plant	(20,986)	(19,710)	(19,710)	(19,710)
Water from or (left-in) Storage	890	(1,678)	(308)	61
FINISHED WATER FROM PLANT	2,874,081	2,749,395	2,732,813	2,734,287
Purchased for Resale (Interconnects)	130	2,021	10,100	3,943
Water Pumped to City	2,874,211	2,751,416	2,742,913	2,738,230
Water Used in System	195,953	169,338	193,590	170,788
Water Sales	2,567,700	2,503,820	2,506,826	2,466,037
Losses and Unaccounted for Gallonage	110,558	78,258	42,497	101,405
Unaccounted For	0.0385	0.0284	0.0155	0.0370
Average Daily Consumption	7,853	7,535	7,489	7,496
Highest Daily Consumption	9,477	9,285	9,258	8,950
Date	3/8/16	2/18/15	5/19/14	3/13/13
Peak Maximum Demand (MG)	15,634	13,355	14,329	13,932
Date	3/28/16	5/27/15	5/5/14	4/13/13
Rainfall (inches)	69.65	40.08	56.11	51.91
WATER RECLAMATION FACILITY				
(In Millions of Gallons per Day)				
Average Daily Flow	6.40	3.79	4.00	4.72
Peak Flow	13.83	8.75	12.25	8.14

FORT PIERCE UTILITIES AUTHORITY

Electric Energy Sources, Water and Wastewater Statistics

Last Ten Fiscal Years

FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
537,115	552,427	568,637	553,487	593,686	608,967
103	115	124	115	113	124
3,088,102	3,101,048	3,023,434	2,993,150	3,013,208	3,455,908
17,644	16,648	16,118	N/A	N/A	N/A
(174,731)	(165,498)	(137,432)	(137,645)	(142,365)	(186,608)
(19,764)	(19,710)	(19,966)	(8,519)	(17,873)	(36,559)
4,218	6,968	1,100	N/A	N/A	N/A
2,915,469	2,939,456	2,883,254	2,846,986	2,852,970	3,232,741
-	-	-	-	-	-
2,915,469	2,939,456	2,883,254	2,846,986	2,852,970	3,232,741
193,707	171,870	175,255	170,369	160,987	132,325
2,641,253	2,655,068	2,598,461	2,566,712	2,573,364	2,808,640
80,509	112,518	109,538	109,905	117,619	291,776
0.0276	0.0383	0.0380	0.0386	0.0412	0.0903
7,990	8,053	7,926	7,827	7,798	8,927
10,524	9,741	9,511	10,403	10,336	11,054
4/18/12	5/30/11	7/1/10	5/8/09	5/18/08	10/23/06
17,437	17,765	17,150	13,304	13,508	17,271
7/22/12	9/14/11	5/7/10	5/7/09	12/2/07	2/1/07
67.10	30.24	40.54	39.89	71.72	42.47
4.86	3.93	4.05	4.95	6.14	5.24
13.03	4.75	5.05	9.57	20.23	7.70

FORT PIERCE UTILITIES AUTHORITY

Authorized Full Time Positions By Department

Last Ten Fiscal Years

Department	9/30/2016		9/30/2015		9/30/2014		9/30/2013	
01 Manatee Observation & Education Center	3	P	3	P	2	P	2	P
02 Treasure Coast Energy Center	13		13	D	14	D	14	D
10 Board	5		5		5		5	
11 Director of Utilities	2		2		2		2	
12 Attorney	1		1		1		1	
15 Human Resources	3		3		3		4	
18 Safety	1	P	4	D	4	D	6	D
21 Finance	13		13		12		11	D
22 Materials Management	6	P	4	P	4	P	3	P
31 Shared Services	1		1		1		1	
32 Information Technology Services	17	D	17	D	16	D	16	
35 Facilities	5	D	5	D	5		5	
41 Communications	-		1		1		1	
43 Customer Solutions	26	D	26	D	26	D,P	26	D,P
51 Director of Electric & Gas Systems	1		1		1	D	1	D
52 Power Generation	-		-		-		-	
54 Electric Transmission and Distribution	23	D	21	D	46	D	49	D
55 Electric Operations	24	D	25	D				
56 Electric & Gas Engineering	9		9		9	D	10	D
61 Director of Water/Wastewater Systems	1		1	D	1	D	1	D
62 Water Resources	24	D	23	D	23	D	23	D
64 Water Distribution	28	D	29	D	28	D	28	D
66 Water/Wastewater Engineering	11		11	P	11	D	11	D
74 Gas Operations	15	D	15	D	15	D	16	D
82 Water Reclamation	16	D	16	D	16	D	14	D
84 Wastewater Collection	19	D	19	D	20	D	21	D
93 FPUAnet Communications	2	D	2	D	2	D	2	
TOTAL	269		270		268		273	

C - Includes contract employees

D - Includes D.R.O.P. Participant employees

H - Excludes positions held vacant

P - Excludes part-time employees

FORT PIERCE UTILITIES AUTHORITY

Authorized Full Time Positions By Department

Last Ten Fiscal Years

9/30/2012	9/30/2011	9/30/2010	9/30/2009	9/30/2008	9/30/2007
2 P	2 P	2 P	2 P	2 P	2 P
15 D	15 D	15 D	15 D	15 D	-
5	5	5	5	5	5
2	2	2	2	2 C	2 C
1	1	1	1	1	1
4	4	4	4	4	4
5 D	5	5	5	5	5
11 D	10 D	12 D	12 D	13	12
3 P	5 P	5 P	5 P	5 P	5 P
1	1 H	1 H	1 H	2	7
16	16	16	16	14 P	13 P
5	5	5	5	5	-
1	1	1	1	1	3
26 D,P	28	29	29	29	29
1 D	1 D	2 D	2 D	3	3
-	-	-	-	1 D	20
51 D	52 D,H	53 D,H	55 C,D,H	58 C,D	56 C
9	9 H	11 H	11 H,P	13 P	14 P
1 D	1	1	1	2	2
23 D	23 D,H	24 H	24 C,H	24 C	24 C
25	25 H	28 H	32	32	30
11 D	11 D,H	11 D,H	13 H	14	14
15 D	14 D,H	14 H	16	16	15
13 D	13 D,H	14 D	12 D,H	25	24
21 D	21 D,H	22 D	22 D,H	13	13
2	1	1	1	1	-
269	271	284	292	305	303

FORT PIERCE UTILITIES AUTHORITY
Ten Largest Customers
Fiscal Year 2016

Ranking	Customer Name	Utility Service	Unit Sales	Revenues	Total
1	**St. Lucie County Board of County Commissioners**	Electric (kWh)	14,505,410	$1,597,522	
		Water (kgal.)	394,047	1,295,420	
		Wastewater	118,676	1,013,577	
		Natural Gas (ccf)	16,704	24,540	
					$3,931,059
2	**St. Lucie County School Board**	Electric (kWh)	20,742,683	$2,433,957	
		Water (kgal.)	31,660	207,898	
		Wastewater	31,533	259,898	
		Natural Gas (ccf)	38,964	63,804	
					$2,965,558
3	**Indian River State College**	Electric (kWh)	20,346,986	$2,118,136	
		Water (kgal.)	28,702	160,769	
		Wastewater	24,277	180,835	
		Natural Gas (ccf)	97,174	98,001	
					$2,557,741
4	**Lawnwood Regional Medical Center**	Electric (kWh)	18,640,248	$1,702,764	
		Water (kgal.)	27,097	117,389	
		Wastewater	17,147	109,037	
		Natural Gas (ccf)	312,241	251,447	
					$2,180,638
5	**Fort Pierce Utilities Authority**	Electric (kWh)	15,576,249	$1,609,622	
		Water (kgal.)	3,924	39,657	
		Wastewater	1,589	29,123	
		Natural Gas (ccf)	6,578	11,640	
					$1,690,042
6	**City of Fort Pierce**	Electric (kWh)	9,548,902	$1,102,821	
		Water (kgal.)	44,591	415,781	
		Wastewater	7,040	75,730	
		Natural Gas (ccf)	1,370	5,979	
					$1,600,311
7	**Fort Pierce Housing Authority**	Electric (kWh)	5,759,799	$625,829	
		Water (kgal.)	28,150	199,002	
		Wastewater	28,244	249,281	
		Natural Gas (ccf)	62,180	139,984	
					$1,214,096
8	**Florida Atlantic University**	Electric (kWh)	11,931,579	$1,206,510	
		Water (kgal.)			
		Wastewater			
		Natural Gas (ccf)			
					$1,206,510
9	**Florida Power & Light Company**	Electric (kWh)	4,320	$1,680	
		Water (kgal.)	175,064	726,625	
		Wastewater	224	4,710	
		Natural Gas (ccf)			
					$733,016
10	**Walmart**	Electric (kWh)	5,538,344	$511,986	
		Water (kgal.)	8,236	39,891	
		Wastewater	8,236	56,069	
		Natural Gas (ccf)	25,504	26,238	
					$634,184

TOTAL REVENUES BY UTILITY	Electric	.....	$12,910,827
	Water	.....	3,202,433
	Wastewater	.....	1,978,260
	Natural Gas	.....	621,635
TOTAL COMBINED REVENUES			$18,713,155

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board Members
Fort Pierce Utilities Authority
Fort Pierce, Florida

We have audited the financial statements of Fort Pierce Utilities Authority ("FPUA"), as of and for the year ended September 30, 2016, which collectively comprise of FPUA's basic financial statements and have issued our report thereon dated February 23, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered FPUA's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FPUA's internal control. Accordingly, we do not express an opinion on the effectiveness of FPUA's internal control.

A *deficiency in internal* control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FPUA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
February 23, 2017

Fort Pierce Utilities Authority

FORT PIERCE, FLORIDA

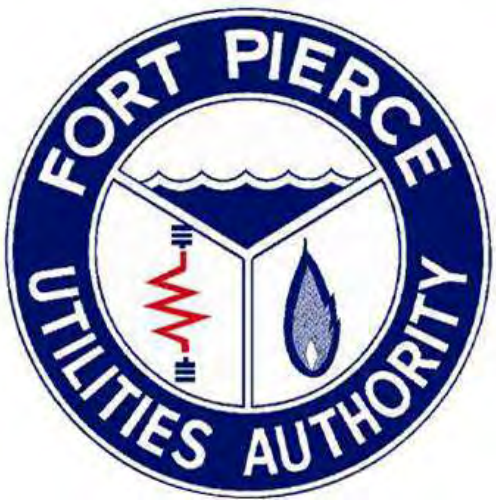
Capital Budget

Fiscal Year Ending September 30, 2018

FORT PIERCE UTILITIES AUTHORITY
CAPITAL BUDGET
FY 2018

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FORT PIERCE
UTILITIES AUTHORITY

Fort Pierce Utilities Authority

Memorandum

To:	Clayton W. Lindstrom, P.E., Director of Utilities
Through:	Nina B. Penick, CPA, Director of Financial Services
From:	Barbara A. Mika, Controller
Date:	May 30, 2017
Subject:	FY 2018 Capital Budget Totaling $25,167,435

RECOMMENDATION:

Approve FPUA's FY 2018 Capital Budget, which totals $25,167,435, and authorize staff to carry over budgeted funds for partially completed projects which remain from FY 2017 and spend those funds in FY 2018 without additional Board approval.

SUMMARY/SUPPORTING INFORMATION:

Attached for your review and approval is the proposed Capital Budget for FY 2018, in the amount of $25,167,435, including contingency funding of $500,000 and carryover funding of $2,000,000. It will be combined with the Operations & Maintenance Budget to form the Annual Budget for FY 2018. This year's budget has been prepared with strategic planning priorities in mind, along with FPUA's commitment to our customers of limiting the need for future rate increases.

The FY 2018 Capital Budget includes funding for improvements to aging infrastructure in order to maintain the quality and reliability of its services. FPUA's coordination of efforts with the City of Fort Pierce, St. Lucie County and Florida Department of Transportation roadway plans will benefit all entities with the efficient completion of these projects. Government and regulatory required projects account for 26% of the total budget. In order to fund some of these renewal and replacement projects, while limiting the impact on water and wastewater rates, FPUA is in the process of applying for approximately $3.7 million of State Revolving Fund loan funding. The essential replacement of the Water Treatment Plant gravity thickener will be completed in the upcoming year, and the design and tank procurement for the Bulk Chemical Containment water plant project will occur. The pumping and electrical equipment upgrade at Lift Station E, which will increase its capacity, continues along with multiple other lift station replacements and improvements. The continuation of the Sea Winds 12-inch water main project will allow water service connections with three condominiums, increasing water revenues and improving water quality on the southern end of the South Hutchinson Island distribution system. The four clarifiers at the Water Reclamation Facility will have new mechanical mechanisms installed over the next two years.

At the end of each fiscal year, funding for some capital projects remains unspent due to unexpected delays. In an effort to reduce the need for budget transfers to complete these projects, for which funding has already been approved, staff is requesting authorization to carry over budgeted funds for partially completed projects which remain from FY 2017 and spend those funds in FY 2018 without additional Board approval. At the end of each fiscal year, a report on those capital projects requiring carryover funds, including the amounts spent, amounts to be carried over, and percent complete, will be provided to the Board as an information item.

The proposed FY 2018 Capital Budget consists of the following major projects which account for 54% of the total:

PROJECT DESCRIPTION	SYSTEM(S)	FY 2018 AMOUNT
Ave M - 25th to 13th	W,WW	$ 1,871,000
Main/Service/Valve Replacements	W,WW	1,765,000
2nd DIW at MWRF	WW	1,520,000
Lift Station Replacements & Upgrades	WW	1,135,000
Subaqueous Main Stabilization	W,WW	1,125,000
IWRF Clarifier Rehabilitation	WW	968,000
Midway Road	G,W,WW	910,000
Ohio - Oleander to US1	W,WW	905,000
Wendell Road	W,WW	900,000
Bulk Chemical Containments	W	890,000
WTP Gravity Thickener	W	791,000
Governmental & Other Required	E,G,W,WW	691,000

The summary of the proposed funding of the FY 2018 Capital Budget can be found on page 13. The portion of the FY 2018 Capital Budget that will be funded by rates is $14,726,233 or 59% of the total budget. Contributions from outside sources are expected to fund 17% and State Revolving Fund loans, if approved, will fund another 15% of the FY 2018 Capital Budget. If FPUA's rates and those other outside sources of funding are not adequate to fully fund the budget, management will evaluate and propose the use of budgeted contingencies.

The remaining 10% of the Capital Budget is identified as contingency and carryover funding. Contingency funds will only be used as a result of unforeseen events. All requests for use of contingency funds will be submitted to the FPUA Board for approval. In the event that contingencies are drawn upon, they will be funded through cash reserves and/or contributions from outside sources.

The multiplicity of requirements by regulatory and governmental agencies demands a considerable amount of capital. Of the funds budgeted for FY 2018, 26% will be committed by FPUA to remain in compliance with the requirements and standards set by regulatory agencies or required by state or local government. Replacement of aging operating systems, overall

system improvements and the replacement of worn out equipment account for 27% of the FY 2018 Capital Budget. With an aging infrastructure, these renewals and replacements are critically necessary. Twenty-nine percent of the Capital Budget is expected to improve the reliability, efficiency, and safety of FPUA's utility systems. Eight percent of the Capital Budget is attributable to new growth.

The projects presented in the FY 2018 Capital Budget are essential to FPUA's efforts to provide our customers with the highest quality of products and services. A recap of the driving forces behind the capital costs planned to be incurred in FY 2018 can be found on page 14. The summary of the capital budget requests on pages 6 through 11, as well as the detailed departmental budget requests beginning on page 16, estimate the total cost of each project, many of which are multi-year projects.

ALTERNATIVES (IF ANY):

Approve with revisions.

ATTACHMENTS:

FY 2018 Capital Budget

ABBREVIATIONS

4WD	Four Wheel Drive
AMR	Automated Meter Reading
APL	Acoustic Pipe Locator
BLKT	Blanket Project
BOCC	Board of County Commissioners
CIA	Contribution-in-Aid
CIC	Capital Improvement Charge
CIP	Capital Improvement Plan
CNG	Compressed Natural Gas
CSM	Customer Service Management
DEP	Department of Environmental Protection
DIMP	Distribution Integrity Management Program
EPA	Environmental Protection Agency
ESC	Energy Services Center
FA	Fixed Asset
FDEP	Florida Department of Environmental Protection
FDOT	Florida Department of Transportation
FLR	Florida Lambda Rail
FM	Force Main
FMPA	Florida Municipal Power Agency
FPL	Florida Power & Light
FPUA	Fort Pierce Utilities Authority
FY	Fiscal Year
GST	Ground Storage Tank
HVAC	Heating Ventilation Air Conditioning
IP	Internet Protocol
IPP	Industrial Pretreatment Program
IRC	Indian River County
IWRF	Island Water Reclamation Facility
kV	kilovolts
lf	lineal feet
LS	Lift Station
MC	Martin County
MCC	Motor Control Center
MG	Million Gallons
MIR	Meter Installer/Remover
MIT	Mechanical Integrity Test
MSBU	Municipal Services Benefit Unit
MWRF	Mainland Water Reclamation Facility
NERC	North American Electric Reliability Corporation
NESC	National Electric Safety Code
O&M	Operations and Maintenance

ABBREVIATIONS

OCB	Oil Circuit Breaker
OH	Overhead
Okee	Okeechobee
OPS	Operations
PLC	Programmable Logic Controller
POP	Point of Presence
PSC	State of Florida Public Service Commission
R&R	Renewal & Replacement
Repl	Replacement
ROW	Right Of Way
RO	Reverse Osmosis
SCADA	Supervisory Control and Data Acquisition
SCFM	Standard cubic feet per minute
Serv Conv	Service Conversion
SFWMD	South Florida Water Management District
SLC	St. Lucie County
SLV	St. Lucie Village
SRF	State Revolving Fund
STD	Standard Project
SUV	Sport Utility Vehicle
T&D	Transmission and Distribution
TBD	To Be Determined
UG	Underground
VAR	Voice Activated Response
VFD	Variable Frequency Drive
VOIP	Voice Over Internet Protocol
W/WW	Water/Wastewater
WD	Water Distribution
WM	Water Main
WRD	Water Reclamation Department
WRF	Water Reclamation Facility
WTP	Water Treatment Plant
WW	Wastewater
Xfr	Transfer

CAPITAL BUDGET SUMMARY

DEPT	REQ	PROJECT TITLE / ASSET NAME	TYPE	SYSTEM	FUNDING	NUMBER	REQUIRED BY	Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2018-22
22	**Materials Management**													
22	FA-1	Truck Dual Wheels 4WD	FA	Administration	Rates		Reliability	-	-	70,000	-	-	-	70,000
22	FA-2	1/2 Ton Pickup Truck	FA	Administration	Rates		Reliability	-	-	-	25,000	-	-	25,000
		TOTAL						**-**	**-**	**70,000**	**25,000**	**-**	**-**	**95,000**
32	**Information Technology Services**													
32	FA-1	Dept. Hardware & Software	FA	Administration	Rates	439918001	Efficiency/Safety	-	115,500	100,000	100,000	100,000	100,000	515,500
32	FA-2	Servers	FA	Administration	Rates	439918002	Reliability	-	50,000	30,000	50,000	30,000	50,000	210,000
32	FA-3	Great Plains/Cogsdale	FA	Administration	Rates		Efficiency	-	-	10,000	-	10,000	-	20,000
32	FA-4	Telephony	FA	Administration	Rates		R&R	-	-	-	65,000	-	-	65,000
32	FA-5	Vehicle Replacement	FA	Administration	Rates		R&R	-	-	-	-	25,000	-	25,000
32	1	Security System	BLKT	Administration	Rates	402	DHS/NERC/Safety	-	50,000	50,000	50,000	25,000	-	175,000
32	2	Network&Comm Infrastructure Ex	BLKT	Administration	Rates	403	Reliability	-	-	50,000	35,000	120,000	35,000	240,000
		TOTAL						**-**	**215,500**	**240,000**	**300,000**	**310,000**	**185,000**	**1,250,500**
35	**Facilities**													
35	FA-1	Chilled Water Air Handlers	FA	Administration	Rates	439018001	Reliability	-	75,000	-	-	-	-	75,000
35	FA-2	ESC Entrance Roll-up Door	FA	Administration	Rates	439018002	Storm Hardening	-	30,000	-	-	-	-	30,000
35	FA-3	Annex Air Handlers	FA	Administration	Rates		Reliability	-	-	37,500	-	-	-	37,500
35	FA-4	Replace Chiller at Esc	FA	Administration	Rates		Reliability						120,000	120,000
		TOTAL						**-**	**105,000**	**37,500**	**-**	**-**	**120,000**	**262,500**
54	**Electric Transmission & Distribution**													
54	FA-1	Large Pole Trailer	FA	Electric	Rates	539218001	R&R	-	45,000	-	-	-	-	45,000
54	FA-2	Tractor Loader Backhoe	FA	Electric	Rates	539218002	Reliability	-	24,000	-	-	-	-	24,000
54	FA-3	55 foot Material Handler	FA	Electric	Rates	539218003	R&R	-	295,000	-	-	-	-	295,000
54	FA-4	55 foot Material Handler	FA	Electric	Rates		R&R	-	-	295,000	-	-	-	295,000
54	FA-5	3/4 Ton Pickup Truck	FA	Electric	Rates	539218004	R&R	-	40,000	-	-	-	-	40,000
54	FA-6	55 foot Material Handler	FA	Electric	Rates		R&R	-	-	-	300,000	-	-	300,000
54	FA-7	110 foot Material Handler	FA	Electric	Rates		R&R	-	-	-	-	400,000	-	400,000
54	1	Retirement from Plant	BLKT	Electric	Rates	501	PSC	164,191	155,900	160,574	165,880	170,692	175,472	828,518
54	2	Transformer Replacement	BLKT	Electric	Rates	504	NESC	98,687	91,769	94,542	97,378	100,578	103,396	487,663
54	3	Distribution Pole Replacement	BLKT	Electric	Rates	505	PSC	501,341	269,681	277,752	286,084	294,667	303,363	1,431,547
54	4	Transmission Pole Replacement	BLKT	Electric	Rates	507	PSC	19,713	27,418	28,771	29,634	30,525	31,440	147,788
54	5	Substation Improvements R&R	BLKT	Electric	Rates	511	R&R	30,000	54,025	55,620	57,288	59,077	60,849	286,859
54	6	Trans & Dist. Improvements	BLKT	Electric	Rates	515	R&R	764,428	465,245	479,201	493,849	508,357	523,607	2,470,259
		TOTAL						**1,578,360**	**1,468,038**	**1,391,460**	**1,430,113**	**1,563,896**	**1,198,127**	**7,051,634**
55	**Electric Operations**													
55	FA-1	Small Pickup Trucks MIR's	FA	Electric	Rates	539218005	R&R	-	24,040	24,761	25,504	26,269	27,057	127,631
55	FA-2	Meter Test Board	FA	Electric	Rates	537018001	R&R	-	38,000	-	-	-	-	38,000
55	1	Electric Meter Replacements	FA	Electric	Rates	514	Efficiency/Safety	172,202	160,000	160,000	160,000	160,000	160,000	800,000
		TOTAL						**172,202**	**222,040**	**184,761**	**185,504**	**186,269**	**187,057**	**965,631**

CAPITAL BUDGET SUMMARY

DEPT	REQ	PROJECT TITLE / ASSET NAME	TYPE	SYSTEM	FUNDING	NUMBER	REQUIRED BY	Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2018-22
56	**Electric & Gas Engineering - Electric**													
56	FA-1	1/2 Ton 4x4 Pickup Truck	FA	Electric	Rates	539218006	Efficiency/Safety	-	27,500	-	-	-	-	27,500
56	FA-2	1/2 Ton 4x4 Pickup Truck	FA	Electric	Rates		Efficiency/Safety	-	-	27,500	-	-	-	27,500
56	1	Auto Reclsure Reliab Imprvmnts	BLKT	Electric	Rates	503	Reliability	10,000	10,000	10,000	10,000	10,000	10,000	50,000
56	2	New Construction - Line Ext	BLKT	Electric	Rates	506	PSC	10,000	10,000	10,300	10,610	10,930	11,260	53,100
56	3	Storm Surge & Hardening - NESC	BLKT	Electric	Rates	508	NESC	60,000	80,000	82,400	84,873	87,419	90,041	424,733
56	4	69KV Breaker Replacement	BLKT	Electric	Rates	509	Reliability	30,000	30,000	100,000	100,000	100,000	100,000	430,000
56	5	Electric Sys VAR Control Expan	BLKT	Electric	Rates	510	FPL	6,500	10,000	10,300	10,610	10,927	11,257	53,094
56	6	Governmental & Other Required	BLKT	Electric	Rates	512	City of Fort Pierce	85,000	150,000	153,000	156,060	159,181	162,365	780,606
56	6	Governmental & Other Required	BLKT	Electric	CIA	512	City of Fort Pierce	-	110,000	316,200	322,524	328,971	335,550	1,413,245
56	7	New Construction-Residential	BLKT	Electric	Rates	516	PSC	50,000	77,500	79,050	80,630	82,242	83,885	403,307
56	8	Replacement of OH & UG Lines	BLKT	Electric	Rates	517	Reliability	50,000	34,000	35,020	36,071	37,153	38,269	180,513
56	9	New Construction-Commercial	BLKT	Electric	Rates	518	PSC	180,000	275,000	283,250	291,748	300,500	309,515	1,460,013
56	9	New Construction-Commercial	BLKT	Electric	CIA	518	PSC	-	200,000	-	-	-	-	200,000
56	10	New Construction-Rental Lights	BLKT	Electric	Rates	519	Growth	50,000	50,000	51,500	53,044	54,637	56,277	265,458
56	11	Overhead/Underground Serv Conv	BLKT	Electric	Rates	520	Reliability	72,000	82,500	84,975	87,525	90,147	92,854	438,001
56	11	Overhead/Underground Serv Conv	BLKT	Electric	CIA	520	Reliability	-	10,000	10,300	10,609	10,927	11,255	53,091
56	12	Electric Regulatory Compliance	BLKT	Electric	Rates	521	NERC	29,751	20,000	20,000	20,000	20,000	20,000	100,000
56	13	Kings Hwy-Okee Rd to Angle Rd	STD	Electric	Rates	526	FDOT	9,000	21,250	10,000	-	-	-	31,250
56	14	Substation Regulators	STD	Electric	Rates	534	Reliability	35,000	280,000	280,000	280,000	280,000	280,000	1,400,000
56	15	17th St - Orange Ave to Ave D	STD	Electric	Rates	535	City of Fort Pierce	5,000	10,000	10,000	-	-	-	20,000
56	16	US Hwy 1 - Midway to Edwards	STD	Electric	Rates	558	FDOT	164,233	73,000	-	-	-	-	73,000
56	17	Totten/Hartman Improvements	STD	Electric	Rates	559	Reliability	20,926	80,000	30,000	-	-	-	110,000
56	18	13th St - Virginia to Ave Q	STD	Electric	Rates	580	City of Fort Pierce	500	10,000	7,000	7,000	-	-	24,000
56	19	Paradise Park Overhead Rebuild	STD	Electric	Rates	591	St. Lucie County	75,000	63,000	-	-	-	-	63,000
56	20	North Bridge Reconstruction	STD	Electric	Rates	592	FDOT	-	10,000	7,000	7,000	-	-	24,000
56	21	Substation Transformer Replacement	STD	Electric	Rates	594	Reliability	-	75,000	75,000	500,000	500,000	500,000	1,650,000
56	22	Harbor Branch Reliability Improv	STD	Electric	Rates	595	Reliability	-	50,000	50,000	-	-	-	100,000
		TOTAL						**942,910**	**1,848,750**	**1,742,795**	**2,068,304**	**2,083,034**	**2,112,528**	**9,855,411**
62	**Water Resources**													
62	FA-1	Submersible Well Pumps	FA	Water	Rates	632518001	Reliability	-	15,000	15,000	15,000	15,000	15,000	75,000
62	FA-2	Submersible Electric Motors	FA	Water	Rates	632518002	Reliability	-	12,000	12,000	12,000	12,000	12,000	60,000
62	FA-3	Telemetry & Controls	FA	Water	Rates	633218003	Reliability	-	25,000	25,000	25,000	25,000	25,000	125,000
62	FA-4	1/2 Ton 4x4 Pickup Truck	FA	Water	Rates	639218004	Efficiency/Safety	-	35,000					35,000
62	1	Raw Water Mains R&R	BLKT	Water	Rates	618	R&R	25,000	10,000	10,000	10,000	10,000	10,000	50,000
62	2	Lime CW Transfer Pumps	STD	Water	Rates	627	Reliability	189,910	-	190,000	-	-	-	190,000
62	3	PLC Conversion	STD	Water	Rates	629	Reliability	190,000	160,000	-	-	-	-	160,000
62	4	Bulk Chemical Containments	STD	Water	Rates	637	Reliability	320,000	890,000	-	-	-	-	890,000
62	5	WTP Gravity Thickener	STD	Water	Rates	674	Reliability	360,000	791,000					791,000
62	6	Unit #1 Lime Slaker	STD	Water	Rates	677	Reliability	-	175,000	-	-	-	-	175,000
62	7	WTP Storm Hardening	STD	Water	Rates	679	Storm Hardening	60,000	60,000					60,000
62	8	Dryer Building Reutilization	STD	Water	Rates	680	Efficiency/Safety	-	100,000					100,000
62	9	Stripping Tower Xfer Pumps	STD	Water	Rates	634	Reliability	-	-	160,000	165,000	170,000	-	495,000
62	10	Savannah Ground Storage Tank	STD	Water	Rates		Reliability	-	-	140,000	-	-	-	140,000
62	11	High Service Pump #2	STD	Water	Rates		Reliability	-	-	-	150,000	-	-	150,000

CAPITAL BUDGET SUMMARY

DEPT	REQ	PROJECT TITLE / ASSET NAME	TYPE	SYSTEM	FUNDING	NUMBER	REQUIRED BY	Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2018-22
62	12	South Hutchinson Island GST	STD	Water	Rates		Reliability	-	-	-	140,000	-	-	140,000
62	13	Dryer Building MCC	STD	Water	Rates		Reliability	-	-	-	-	350,000	-	350,000
62	14	Lawnwood Well Field MCC	STD	Water	Rates		Reliability	-	-	-	-	-	300,000	300,000
62	15	1.5 MG Ground Storage Tank	STD	Water	Rates		Reliability	-	-	-	-	-	145,000	145,000
		TOTAL						**1,144,910**	**2,273,000**	**552,000**	**517,000**	**582,000**	**507,000**	**4,431,000**
64	**Water Distribution**													
64	FA-1	Linestop Trailer Upgrade	FA	Water	Rates	639818001	R&R	-	22,000	-	-	-	-	22,000
64	FA-2	1/2 Ton 4x4 Pickup Truck	FA	Water	Rates	639218002	R&R	-	34,000	-	-	-	-	34,000
64	FA-3	Ultra-Trac Pipe APL Locator	FA	Water	Rates	639418003	Efficiency/Safety	-	12,000	-	-	-	-	12,000
64	FA-4	Various FA for FY 2019-2022	FA	Water	Rates		R&R	-	-	262,000	255,000	260,000	292,000	1,069,000
64	1	Meter/Backflow Preventers	BLKT	Water	CIA	603	Growth	207,755	185,000	190,550	196,267	202,154	208,219	982,190
64	2	Fire Hydrant Replacements	BLKT	Water	Rates	606	SLC Fire District	96,570	60,000	61,800	63,654	65,564	67,531	318,549
64	3	Meter Changeouts	BLKT	Water	Rates	612	Reliability	410,111	210,000	216,300	222,790	229,472	236,357	1,114,919
64	4	Main/Service/Valve Replacements	BLKT	Water	Rates	615	Reliability	846,758	540,000	556,200	572,886	590,073	607,775	2,866,934
		TOTAL						**1,561,194**	**1,063,000**	**1,286,850**	**1,310,597**	**1,347,263**	**1,411,882**	**6,419,592**
66-W	**Water Engineering**													
66-W	FA-1	1/2 Ton 4x4 Pickup Truck	FA	Water	Rates	639218003	Reliability	-	16,000	17,000	-	-	-	33,000
66-W	1	Surficial Well Replacement	BLKT	Water	Rates	602	Reliability	-	-	279,500	282,750	286,000	289,250	1,137,500
66-W	1	Surficial Well Replacement	BLKT	Water	CIC	602	Reliability	-	-	150,500	152,250	154,000	155,750	612,500
66-W	2	Fire Hydrant New Installations	BLKT	Water	CIC	607	SLC Fire District	15,544	12,000	12,360	12,730	13,111	13,504	63,705
66-W	3	New Construction-Mains	BLKT	Water	CIC	610	Growth	-	39,702	41,493	43,338	45,295	47,304	217,132
66-W	4	New Construction-Customer Funded	BLKT	Water	CIA	611	Growth	-	50,000	50,000	50,000	50,000	50,000	250,000
66-W	5	Water Mains Misc. R&R	BLKT	Water	Rates	617	R&R	650	20,000	1,000,000	600,000	1,000,000	1,000,000	3,620,000
66-W	6	Governmental & Other Required	BLKT	Water	Rates	620	City of Fort Pierce	-	35,000	110,000	110,000	110,000	110,000	475,000
66-W	7	Water Main Looping	STD	Water	CIC	625	Growth	-	-	110,000	110,000	110,000	110,000	440,000
66-W	8	7th Street - 10th - Wendell	STD	Water	Rates	630	City of Fort Pierce	5,000	20,000	-	-	-	-	20,000
66-W	9	San Lucie WM Replacements	STD	Water	Rates	633	St. Lucie County	9,835	50,000	-	-	-	-	50,000
66-W	10	17th St - Orange Ave to Ave D	STD	Water	Rates	635	City of Fort Pierce	6,916	121,000	163,000	-	-	-	284,000
66-W	11	Ave M - 25th to 13th	STD	Water	SRF Loan	642	R&R	15,000	704,000	-	-	-	-	704,000
66-W	12	Ohio - Oleander to US1	STD	Water	SRF Loan	644	R&R	15,000	340,000	-	-	-	-	340,000
66-W	13	Avenue A - N 8th to N 7th	STD	Water	Rates	650	R&R	2,000	70,000	-	-	-	-	70,000
66-W	14	Sea Winds 12 in WM	STD	Water	CIC	653	Growth	15,771	175,000	-	-	-	-	175,000
66-W	15	US Hwy 1 - Midway to Edwards	STD	Water	Rates	658	FDOT	177,000	53,000	-	-	-	-	53,000
66-W	16	Fra Mar MBSU	STD	Water	CIA	663	St. Lucie County	234,579	30,000	-	-	-	-	30,000
66-W	16	Fra Mar MBSU	STD	Water	CIC	663	St. Lucie County	-	76,000	-	-	-	-	76,000
66-W	17	Selvitz Road Water Main	STD	Water	CIC	664	Growth	289,549	30,000	-	-	-	-	30,000
66-W	18	Wendell - 8th to Chipolla	STD	Water	SRF Loan	667	R&R	15,000	405,000	-	-	-	-	405,000
66-W	19	Midway Road - US 1 to 25th St.	STD	Water	Rates	684	FDOT	330,623	269,000	32,000	-	-	-	301,000
66-W	19	Midway Road - US 1 to 25th St.	STD	Water	CIA	684	FDOT	-	35,000	8,000	-	-	-	43,000
66-W	20	Midway Road-Elm Ave to 25th	STD	Water	CIC	686	Growth	478,696	536,000	40,000	-	-	-	576,000
66-W	21	Kings Hwy-Okee Rd to Orange Av	STD	Water	Rates	690	FDOT	1,000	10,000	-	-	-	-	10,000
66-W	21	Kings Hwy-Okee Rd to Orange Av	STD	Water	CIA	690	FDOT		60,000	20,000	-	-	-	80,000
66-W	21	Kings Hwy-Okee Rd to Orange Av	STD	Water	CIC	690	FDOT		300,000	400,000	-	-	-	700,000
66-W	22	2nd Deep Injection Well/WTP	STD	Water	CIC	694	Growth	93,824	-	-	100,000	4,200,000	-	4,300,000
66-W	23	Well 3R Replacement	STD	Water	Rates	698	Reliability	-	292,500	-	-	-	-	292,500
66-W	23	Well 3R Replacement	STD	Water	CIC	698	Reliability	-	157,500	-	-	-	-	157,500
66-W	24	RO Upgrades/Electric Upgrades	STD	Water	CIC		Growth	218,640	-	-	315,000	-	-	315,000

CAPITAL BUDGET SUMMARY

DEPT	REQ	PROJECT TITLE / ASSET NAME	TYPE	SYSTEM	FUNDING	NUMBER	REQUIRED BY	Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2018-22
66-W	25	Floridan Well Field Generator	STD	Water	CIC		Reliability	-	-	50,000	500,000	-	-	550,000
66-W	26	Subaqueous Mains Stabilization	STD	Water	Rates	909	Reliability	18,000	75,000	-	-	-	-	75,000
66-W	27	N 8th Street - Orange to Ave E	STD	Water	Rates		R&R	-	-	-	400,000	-	-	400,000
66-W	28	Ave E WM Repl-N 10th to N 7th	STD	Water	Rates	643	R&R	-	175,500	-	-	-	-	175,500
66-W	29	Avenue B WM Repl-N 8th-N 7th	STD	Water	Rates	646	R&R		67,500	-	-	-	-	67,500
66-W	30	Avenue I & Loop to J WM Repl.	STD	Water	Rates	672	R&R		169,000	-	-	-	-	169,000
66-W	31	N 10th St WM Repl-Ave E-Ave L	STD	Water	Rates	681	R&R	-	310,500	-	-	-	-	310,500
66-W	32	Savannah PS WM Addition	STD	Water	Rates	682	Reliability	-	50,000	-	-	-	-	50,000
66-W	33	Fisherman's Wharf W.M. Rehab.	STD	Water	Rates	695	St. Lucie County	5,000	20,000	-	-	-	-	20,000
		TOTAL						**1,947,627**	**4,774,202**	**2,483,853**	**2,676,068**	**5,968,406**	**1,775,808**	**17,678,337**
56	**Electric & Gas Engineering - Gas**													
56	1	Kings Hwy-Okee Rd to Angle Rd	STD	Gas	Rates	726	FDOT	15,000	170,000	10,000	-	-	-	180,000
56	2	SCADA Monitoring	STD	Gas	Rates	734	Reliability	50,000	35,000	-	-	-	-	35,000
56	3	17th St - Orange Ave to Ave D	STD	Gas	Rates	735	City of Fort Pierce	-	10,000	-	-	-	-	10,000
56	4	US Hwy 1 - Midway to Edwards	STD	Gas	Rates	758	FDOT	128,276	115,000	-	-	-	-	115,000
56	5	13th St - Virginia to Ave Q	STD	Gas	Rates	780	City of Fort Pierce	23,000	10,000	10,000	-	-	-	20,000
56	6	Midway Road - US 1 to 25th St.	STD	Gas	Rates	784	FDOT	45,000	10,000	5,000	-	-	-	15,000
56	7	2nd St-Seaway to Taylor Creek	STD	Gas	Rates	787	St. Lucie County	186,463	7,500	-	-	-	-	7,500
56	8	Paradise Park	STD	Gas	Rates	791	St. Lucie County	35,595	6,500	-	-	-	-	6,500
		TOTAL						**483,334**	**364,000**	**25,000**	**-**	**-**	**-**	**389,000**
74	**Gas Operations**													
74	FA-1	3/4 Ton Pickup Truck	FA	Gas	Rates		Reliability	-	50,000	50,000	50,000	50,000	50,000	250,000
74	FA-2	Tractor Loader Backhoe	FA	Gas	Rates		Reliability	-	24,000	-	-	-	-	24,000
74	FA-3	CNG Filling Station	FA	Gas	Rates		Reliability		150,000					150,000
74	1	Gas System Renewals	BLKT	Gas	Rates	704	PSC	31,324	17,000	17,500	18,000	18,500	19,000	90,000
74	2	Gas System New Revenue	BLKT	Gas	Rates	705	Growth	187,145	79,000	82,000	85,000	88,000	91,000	425,000
74	2	Gas System New Revenue	BLKT	Gas	CIA	705	Growth		25,000	25,000	25,000	25,000	25,000	125,000
74	3	Meter & Regulator Changeouts	BLKT	Gas	Rates	706	PSC	139,412	114,000	119,000	124,000	129,000	134,000	620,000
74	4	Excess Flow Valves (EFV's)	BLKT	Gas	CIA	707	PSC		50,000	50,000	50,000			150,000
74	5	Customer Funded Projects	BLKT	Gas	CIA	710	Growth	50,743	50,000	50,000	50,000	50,000	50,000	250,000
74	6	Governmental & Other Required	BLKT	Gas	Rates	720	City of Fort Pierce	149,501	96,000	99,000	102,000	105,000	108,000	510,000
74	6	Governmental & Other Required	BLKT	Gas	CIA	720	City of Fort Pierce		50,000	50,000	50,000	50,000	50,000	250,000
74	7	Valve Installation Program	STD	Gas	Rates	725	Reliability		25,000	25,000	25,000			75,000
		TOTAL						**558,125**	**730,000**	**567,500**	**579,000**	**515,500**	**527,000**	**2,919,000**
66-WW	**Wastewater Engineering**													
66-WW	FA-1	1/2 Ton 4x4 Pickup Truck	FA	Wastewater	Rates	639218003	Reliability	-	16,000	17,000	-	-	-	33,000
66-WW	1	New Construction-Mains	BLKT	Wastewater	CIC	810	Growth	-	40,000	41,493	43,338	45,239	47,198	217,268
66-WW	2	New Construction-Custmr Funded	BLKT	Wastewater	CIA	811	Growth	-	50,000	50,000	50,000	50,000	50,000	250,000
66-WW	3	Wastewater Main Misc R&R	BLKT	Wastewater	Rates	817	R&R	1,000	400,000	900,000	900,000	900,000	900,000	4,000,000
66-WW	4	Governmental & Other Required	BLKT	Wastewater	Rates	820	City of Fort Pierce	-	50,000	200,000	200,000	200,000	200,000	850,000
66-WW	5	7th Street - 10th - Wendell	STD	Wastewater	Rates	830	City of Fort Pierce	150,000	30,000	-	-	-	-	30,000
66-WW	6	LS E Pump/Electric Upgrade	STD	Wastewater	Rates	834	Reliability	60,000	700,000	-	-	-	-	700,000
66-WW	7	Ave M - 25th to 13th	STD	Wastewater	SRF Loan	842	R&R	20,000	1,167,000	-	-	-	-	1,167,000
66-WW	8	Lift Station 23 Replacement	STD	Wastewater	Rates	843	Safety	287,787	255,000	-	-	-	-	255,000
66-WW	9	Ohio - Oleander to US1	STD	Wastewater	SRF Loan	844	R&R	20,000	565,000	-	-	-	-	565,000
66-WW	10	US Hwy 1 - Midway to Edwards	STD	Wastewater	Rates	858	FDOT	72,000	20,000	-	-	-	-	20,000

CAPITAL BUDGET SUMMARY

DEPT	REQ	PROJECT TITLE / ASSET NAME	TYPE	SYSTEM	FUNDING	NUMBER	REQUIRED BY	Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2018-22
66-WW	11	17th St - Orange Ave to Ave D	STD	Wastewater	Rates	863	City of Fort Pierce	203,842	129,000	-	-	-	-	129,000
66-WW	12	Wendell - 8th to Chipolla	STD	Wastewater	SRF Loan	867	R&R	20,000	495,000	-	-	-	-	495,000
66-WW	13	IWRF Clarifier Rehabilitation	STD	Wastewater	Rates	872	R&R	875,000	967,905	-	-	-	-	967,905
66-WW	14	Midway Road - US 1 to 25th St.	STD	Wastewater	Rates	884	FDOT	30,000	20,000	-	-	-	-	20,000
66-WW	15	Midway Road-Elm Ave to 25th	STD	Wastewater	CIC	886	Growth	50,000	40,000	-	-	-	-	40,000
66-WW	16	Kings Hwy-Okee Rd to Orange Av	STD	Wastewater	Rates	890	FDOT	5,000	10,000	212,000	50,000	-	-	272,000
66-WW	16	Kings Hwy-Okee Rd to Orange Av	STD	Wastewater	CIC	890	FDOT	-	-	168,000	-	-	-	168,000
66-WW	17	Subaqueous Mains Stabilization	STD	Wastewater	Rates	909	Reliability	20,000	1,050,000					1,050,000
66-WW	18	2nd DIW at MWRF	STD	Wastewater	CIA	879	St. Lucie County	-	1,500,000	-	-	-	-	1,500,000
66-WW	18	2nd DIW at MWRF	STD	Wastewater	CIC	879	St. Lucie County	-	20,000	-	-	-	-	20,000
66-WW	19	Brownstone Development	STD	Wastewater	CIA	881	Growth	-	200,000					200,000
66-WW	19	Brownstone Development	STD	Wastewater	CIC	881	Growth	5,000	205,000					205,000
66-WW	20	Fisherman's Wharf Sewer Repl.	STD	Wastewater	Rates	895	St. Lucie County	10,000	95,000					95,000
		TOTAL						**1,829,629**	**8,024,905**	**1,588,493**	**1,243,338**	**1,195,239**	**1,197,198**	**13,249,173**
82	**Water Reclamation**													
82	FA-1	Golf Cart	FA	Wastewater	Rates		Efficiency/Safety	-	-	10,000	-	-	-	10,000
82	FA-2	IWRF DIW Pump Replacement	FA	Wastewater	Rates		FDEP	-	-	-	-	-	80,000	80,000
82	FA-3	1 Ton Pickup Truck & Equip.	FA	Wastewater	Rates		Efficiency/Safety	-	-	35,000	80,000	-	-	115,000
82	1	Telemetry & Controls	BLKT	Wastewater	Rates	803	Efficiency/Safety	10,000	10,000	10,000	10,000	10,000	10,000	50,000
82	2	Structural Replacements	BLKT	Wastewater	Rates	804	Efficiency/Safety	25,000	25,000	25,000	25,000	25,000	25,000	125,000
82	3	Bar Screen Replacement	STD	Wastewater	Rates		Reliability	-	-	-	-	135,000	-	135,000
82	4	Surge Tank Control Replacement	STD	Wastewater	Rates	822	Reliability	-	30,000	-	-	-	-	30,000
82	5	W-2 System Upgrade	STD	Wastewater	Rates		Reliability	-	-	60,000	-	-	-	60,000
82	6	Septage Receiving Facility	STD	Wastewater	Rates	823	Reliability		50,000					50,000
		TOTAL						**35,000**	**115,000**	**140,000**	**115,000**	**170,000**	**115,000**	**655,000**
84	**Wastewater Collection**													
84	FA-1	Lift Station Pump Replacement	FA	Wastewater	Rates	836118001	R&R	-	30,000	30,000	30,000	30,000	30,000	150,000
84	FA-2	1 Ton 4x2 Pickup Truck	FA	Wastewater	Rates	839218002	Efficiency/Safety	-	70,000	100,000	30,000	100,000	30,000	330,000
84	FA-3	L.S. "A" Pump Replacement	FA	Wastewater	Rates		Reliability	-	-	-	-	100,000	-	100,000
84	FA-4	Dry Prime By-pass Pump	FA	Wastewater	Rates		Reliability	-	-	30,000	-	-	-	30,000
84	1	Telemetry & Controls	BLKT	Wastewater	Rates	801	FDEP	56,903	50,000	50,000	50,000	50,000	50,000	250,000
84	2	Lift Station Improvements	BLKT	Wastewater	Rates	802	FDEP	100,101	100,000	100,000	100,000	100,000	100,000	500,000
84	3	Mains and Laterals R&R	BLKT	Wastewater	Rates	805	FDEP	628,383	375,000	375,000	375,000	375,000	375,000	1,875,000
84	4	Lift Station Control Panels	BLKT	Wastewater	Rates	806	FDEP	50,000	50,000	50,000	50,000	50,000	50,000	250,000
84	5	Wastewater Main Lining	BLKT	Wastewater	Rates	815	FDEP	867,151	450,000	450,000	450,000	450,000	450,000	2,250,000
84	6	Manhole Rehabilitation	BLKT	Wastewater	Rates	816	FDEP	173,887	100,000	100,000	100,000	100,000	100,000	500,000
		TOTAL						**1,876,425**	**1,225,000**	**1,285,000**	**1,185,000**	**1,355,000**	**1,185,000**	**6,235,000**

CAPITAL BUDGET SUMMARY

DEPT	REQ	PROJECT TITLE / ASSET NAME	TYPE	SYSTEM	FUNDING	NUMBER	REQUIRED BY	Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2018-22
93	**FPUAnet Communications**													
93	1	FPUAnet Communication Services	BLKT	FPUAnet	Rates	914	Growth	136,309	89,000	99,000	112,000	125,000	139,000	564,000
93	1	FPUAnet Communication Services	BLKT	FPUAnet	CIA	914	Growth	-	10,000	11,000	12,000	14,000	16,000	63,000
93	2	FPUAnet Wireless Communication	BLKT	FPUAnet	Rates	916	Growth	27,400	32,000	36,000	40,000	45,000	50,000	203,000
93	2	FPUAnet Wireless Communication	BLKT	FPUAnet	CIA	916	Growth	-	4,000	4,000	5,000	5,000	6,000	24,000
93	3	FPUAnet Regional Connections	BLKT	FPUAnet	Rates	917	Growth	89,400	61,000	31,000	8,000	8,000	16,000	124,000
93	3	FPUAnet Regional Connections	BLKT	FPUAnet	CIA	917	Growth	-	7,000	3,000	1,000	1,000	2,000	14,000
93	4	FPUAnet Communications - IRC	BLKT	FPUAnet	Rates	918	Growth	20,100	7,000	8,000	8,000	7,000	4,000	34,000
93	4	FPUAnet Communications - IRC	BLKT	FPUAnet	CIA	918	Growth	-	3,000	3,000	3,000	2,000	1,000	12,000
93	5	FPUAnet Communications - MC	BLKT	FPUAnet	Rates	919	Growth	20,100	7,000	8,000	8,000	7,000	4,000	34,000
93	5	FPUAnet Communications - MC	BLKT	FPUAnet	CIA	919	Growth	-	3,000	3,000	3,000	2,000	1,000	12,000
93	6	FPUAnet Communications to FLR	STD	FPUAnet	Rates	977	Growth	16,500	14,000	16,000	-	-	-	30,000
93	6	FPUAnet Communications to FLR	STD	FPUAnet	CIA	977	Growth	-	2,000	2,000	-	-	-	4,000
		TOTAL						**309,809**	**239,000**	**224,000**	**200,000**	**216,000**	**239,000**	**1,118,000**
21	**Finance**													
21	1	Carryover Funding - Prior Year		Administration	Carryover		Carryover		2,000,000	-	-	-	-	2,000,000
21	2	Contingencies		Administration	Contingencies		Contingencies	-	500,000	-	-	-	-	500,000
		TOTAL						**-**	**2,500,000**	**-**	**-**	**-**	**-**	**2,500,000**
GRAND TOTAL								**12,439,525**	**25,167,435**	**11,819,212**	**11,834,924**	**15,492,607**	**10,760,600**	**75,074,778**
		ADMINISTRATION						-	320,500	347,500	325,000	310,000	305,000	1,608,000
		ELECTRIC						2,693,472	3,538,828	3,319,016	3,683,921	3,833,199	3,497,712	17,872,676
		WATER						4,653,731	8,110,202	4,322,703	4,503,665	7,897,669	3,694,690	28,528,929
		NATURAL GAS						1,041,459	1,094,000	592,500	579,000	515,500	527,000	3,308,000
		WASTEWATER						3,741,054	9,364,905	3,013,493	2,543,338	2,720,239	2,497,198	20,139,173
		FPUAnet COMMUNICATIONS						309,809	239,000	224,000	200,000	216,000	239,000	1,118,000
		CARRYOVER						-	2,000,000	-	-	-	-	2,000,000
		CONTINGENCIES						-	500,000	-	-	-	-	500,000
		TOTAL						**12,439,525**	**25,167,435**	**11,819,212**	**11,834,924**	**15,492,607**	**10,760,600**	**75,074,778**

CAPITAL BUDGET SUMMARY - VEHICLES

FY 2018

Budgeted			Replaces			
Dept	**Description**	**FY 2018**	**Description**	**Size**	**Asset #**	**MILEAGE**
54	Large Pole Trailer	45,000	22,000 pound pole trailer		62_539	12 yrs
54	Tractor Loader Backhoe	24,000				
54	55 Foot Material Handler	295,000	2007 Freightliner		21_382	61,669
54	3/4 Ton 4X4 Pickup Truck	40,000	2002 GMC Sierra	1 ton	21_373	126,429
55	Small Pickup Truck MIR's	24,040	2004 Ford F250	3/4 ton	15_549	96,964
56	1/2 Ton 4x4 Pickup Truck	27,500	Ford F150 Single Cab	1/2 Ton	15_519	71,257
62	1/2 Ton 4x4 Pickup Truck	35,000				
64	1/2 Ton 4x4 Pickup Truck	34,000	2000 Chevy 1/2 Ton	1/2 ton	15_529	112,500
66	1/2 Ton 4x4 Pickup Truck	32,000	2004 GMC 1500 1/2 Ton	1/2 Ton	15_552	91,000
74	3/4 Ton 4x4 Pickup Truck	50,000	2008 Ford F250	3/4 ton	16_524	66,000
74	Tractor Loader Backhoe	24,000	Kubota Track Loader Backhoe		49_506	1130/13 yrs
84	1 Ton 4x2 Pickup Truck	35,000	GMC 1 Ton Utility	1 ton	21_374	124,810
84	1 Ton 4x2 Pickup Truck	35,000	GMC 1 Ton Utility	1 ton	21_376	153,000
	TOTALS	**700,540**				

PROPOSED FUNDING OF THE CAPITAL BUDGET

SYSTEM	SOURCE	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2018-22
Electric	Rates	$ 3,218,828	$ 2,992,516	$ 3,350,788	$ 3,493,301	$ 3,150,907	$ 16,206,340
	CIA	320,000	326,500	333,133	339,898	346,805	1,666,336
Electric Total		**3,538,828**	**3,319,016**	**3,683,921**	**3,833,199**	**3,497,712**	**17,872,676**
Water	Rates	4,975,000	3,249,800	3,024,080	3,123,109	3,109,913	17,481,902
	CIA	360,000	268,550	246,267	252,154	258,219	1,385,190
	CIC	1,326,202	804,353	1,233,318	4,522,406	326,558	8,212,837
	SRF Loan	1,449,000	-	-	-	-	1,449,000
Water Total		**8,110,202**	**4,322,703**	**4,503,665**	**7,897,669**	**3,694,690**	**28,528,929**
Gas	Rates	919,000	417,500	404,000	390,500	402,000	2,533,000
	CIA	175,000	175,000	175,000	125,000	125,000	775,000
Gas Total		**1,094,000**	**592,500**	**579,000**	**515,500**	**527,000**	**3,308,000**
Wastewater	Rates	5,082,905	2,754,000	2,450,000	2,625,000	2,400,000	15,311,905
	CIA	1,750,000	50,000	50,000	50,000	50,000	1,950,000
	CIC	305,000	209,493	43,338	45,239	47,198	650,268
	SRF Loan	2,227,000	-	-	-	-	2,227,000
Wastewater Total		**9,364,905**	**3,013,493**	**2,543,338**	**2,720,239**	**2,497,198**	**20,139,173**
FPUAnet	Rates	210,000	198,000	176,000	192,000	213,000	989,000
	CIA	29,000	26,000	24,000	24,000	26,000	129,000
FPUAnet Total		**239,000**	**224,000**	**200,000**	**216,000**	**239,000**	**1,118,000**
Administration	Rates	320,500	347,500	325,000	310,000	305,000	1,608,000
	Carryover	2,000,000	-	-	-	-	2,000,000
	Contingencies	500,000	-	-	-	-	500,000
Administration Total		**2,820,500**	**347,500**	**325,000**	**310,000**	**305,000**	**4,108,000**
Grand Total		**$ 25,167,435**	**$ 11,819,212**	**$ 11,834,924**	**$ 15,492,607**	**$ 10,760,600**	**$ 75,074,778**

SOURCE	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2018-22
Rates	$ 14,726,233	$ 9,959,316	$ 9,729,868	$ 10,133,910	$ 9,580,820	$ 54,130,147
CIA	2,634,000	846,050	828,400	791,052	806,024	5,905,526
CIC	1,631,202	1,013,846	1,276,656	4,567,645	373,756	8,863,105
SRF Loan	3,676,000	-	-	-	-	3,676,000
Carryover	2,000,000	-	-	-	-	2,000,000
Contingencies	500,000	-	-	-	-	500,000
Grand Total	**$ 25,167,435**	**$ 11,819,212**	**$ 11,834,924**	**$ 15,492,607**	**$ 10,760,600**	**$ 75,074,778**

REQUIREMENTS FOR CAPITAL PROJECTS
Fiscal Year ended September 30, 2018

Required By	Electric	Water	Gas	Wastewater	FPUAnet	Administration	Grand Total	Percentage
GOVERNMENT/REGULATORY REQUIRED								
City of Fort Pierce	280,000	176,000	166,000	209,000			831,000	
DHS/NERC/Safety						50,000	50,000	
FDEP				1,125,000			1,125,000	
FDOT	104,250	727,000	295,000	50,000			1,176,250	
NERC	20,000						20,000	
NESC	171,769						171,769	
PSC	1,015,499		181,000				1,196,499	
SLC Fire District		72,000					72,000	
St. Lucie County	63,000	176,000	14,000	1,615,000			1,868,000	
GOVERNMENT/REGULATORY REQUIRED Total	**1,654,518**	**1,151,000**	**656,000**	**2,999,000**		**50,000**	**6,510,518**	26%
RELIABILITY, EFFICIENCY, SAFETY								
Efficiency/Safety	187,500	147,000		105,000		115,500	555,000	
Reliability	675,500	3,409,000	284,000	1,846,000		125,000	6,339,500	
Safety				255,000			255,000	
Storm Hardening		60,000				30,000	90,000	
RELIABILITY, EFFICIENCY, SAFETY Total	**863,000**	**3,616,000**	**284,000**	**2,206,000**		**270,500**	**7,239,500**	29%
RENEWALS & REPLACEMENTS								
R&R	961,310	2,327,500		3,624,905		-	6,913,715	
RENEWALS & REPLACEMENTS Total	**961,310**	**2,327,500**		**3,624,905**		**-**	**6,913,715**	27%
GROWTH								
FPL	10,000						10,000	
Growth	50,000	1,015,702	154,000	535,000	239,000		1,993,702	
GROWTH Total	**60,000**	**1,015,702**	**154,000**	**535,000**	**239,000**		**2,003,702**	8%
CARRYOVER						**2,000,000**	**2,000,000**	8%
CONTINGENCIES						**500,000**	**500,000**	2%
Grand Total	**3,538,828**	**8,110,202**	**1,094,000**	**9,364,905**	**239,000**	**2,820,500**	**25,167,435**	100%

PRIORITY RATING POINT SYSTEM

POINTS	**I. HEALTH AND/OR SAFETY TO PUBLIC, FPUA EMPLOYEES**
12	Will correct a condition that currently constitutes a threat to the health and/or safety of the public or FPUA employees.
10	Will correct a condition that, if left uncorrected for FY 2018 will, by the end of that year, constitute a threat to the health and/or safety of the public or FPUA employees.
8	Will correct a condition that, if left uncorrected, will constitute a threat to the health and/or safety of the public or FPUA employees some time after the end of the next fiscal year.

POINTS	**II. QUALITY OF SERVICE**
10	Will correct an existing deficiency and a future need in service to the customer.
8	Will correct an existing deficiency in service to the customer.
6	Will correct a future need in customer service.

POINTS	**III. COMPARATIVE EFFECTIVENESS**
8	More productivity same unit of time at less operating cost.
6	Same productivity same unit of time at less operating cost.
6	More productivity same unit of time at same operating cost.
3	Same productivity same unit of time at same operating cost.
2	More productivity same unit of time at more operating cost.
1	Same productivity same unit of time at more operating cost.
NOTE:	Equal consideration is given to the same productivity in a smaller unit of time.

POINTS	**IV. ANNUAL IMPACT ON O&M COSTS**
8	Substantial cost savings (over $25,000).
6	Minimal cost savings (up to $25,000).
4	No change.
2	Minimal cost increase (up to $25,000).
0	Major cost increase (over $25,000).

POINTS	**V. ENVIRONMENTAL/PUBLIC IMAGE**
6	Will correct a condition that currently results in a poor image for the FPUA.
4	Will correct a condition that, if left uncorrected for FY 2018 will, by the end of that year, result in a poor public image for the FPUA.
2	Will correct a condition that, if left uncorrected, will eventually result in a poor public image for the FPUA.

POINTS	**VI. EFFECTS ON SERVICE AREA**
6	Entire service area.
4	Several neighborhoods/areas.
2	One neighborhood/area.

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 22 - Materials Management

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
FA-1	Truck Dual Wheel 4WD	-	-	70,000	-	-	-	70,000
FA-2	1/2 Ton Pickup Truck	-	-	-	25,000	-	-	25,000
Total		-	-	70,000	25,000	-	-	95,000

Request Number	Project Title or Asset Name	Priority Rating Area							
		I	II	III	IV	V	VI	Total Points	Dept. Head Rating
FA-1	Truck Dual Wheel 4WD	8	6	6	6	2	6	34	
FA-2	1/2 Ton Pickup Truck	8	6	3	6	2	6	31	

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	-	70,000	25,000	-	-	95,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	-	70,000	25,000	-	-	-

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
22 - Materials Management

Request #: FA - 1
Fixed Asset #:
Priority #: 0

Fixed Asset Name: Truck Dual Wheel 4WD

Fixed Asset Description: Mechanics Service Truck

Justification for Purchase: The existing Mechanics Service Truck is a 2002 with 80,000 plus miles on it as of April 2017. The existing truck is not able meet the needs of the Centralized Fleet Services program with its ever expanding duties.

Alternatives: Modify existing vehicle to accept a crane, generator and compressor .

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ 70,000	$ -	$ -	$ -	$ 70,000

Anticipated Purchase Date: 10/1/2018 **Project Manager:** 6266 - Eric Winterstein

Purchase Required By: Reliability **Class ID:** **4392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	x
Replace Worn Out Equipment	x
Reduce Personnel Time	x
Expand Service	x
Other	
New Operation	
Improve Operations	x

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition
17-509	Ford F-350 1FDSF35L22EC4934	80,000/2002	Fair	$2,286.15	Auction

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
22 - Materials Management

Request #: FA - 2
Fixed Asset #:
Priority #: 0

Fixed Asset Name: 1/2 Ton Pickup Truck

Fixed Asset Description: 2 Wheel drive pick up truck for Materials Management

Justification for Purchase: Vehicle will meet criteria for replacement, the vehicle will be 19 years old in 2019 and have between 80,000 to 100,000 miles. This vehicle will meet the criteria for vehicle replacement in 2019. Recommend that we move the purchase of a new vehicle out to FY 2020 because the vehicle has been taken care of by the Materials Management staff.

Alternatives: Repair truck as needed.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ -	$ 25,000	$ -	$ -	$ 25,000

Anticipated Purchase Date: 10/1/2019 **Project Manager:** 6266 - Eric Winterstein

Purchase Required By: Reliability **Class ID:** **4392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	x

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition
15-527	F-150 Pick up 1GCEC14TXY	80,000/20	Good	$2,516.02	Auction

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 32 - Information Technology Services

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
FA-1	Dept. Hardware & Software	-	115,500	100,000	100,000	100,000	100,000	515,500
FA-2	Servers	-	50,000	30,000	50,000	30,000	50,000	210,000
FA-3	Great Plains/Cogsdale	-	-	10,000	-	10,000	-	20,000
FA-4	Telephony	-	-	-	65,000	-	-	65,000
FA-5	Vehicle Replacement	-	-	-	-	25,000	-	25,000
1	Security System	-	50,000	50,000	50,000	25,000	-	175,000
2	Network&Comm Infrastructure Ex	-	-	50,000	35,000	120,000	35,000	240,000
Total		-	215,500	240,000	300,000	310,000	185,000	1,250,500

Request Number	Project Title or Asset Name	Priority Rating Area							
		I	II	III	IV	V	VI	Total Points	Dept. Head Rating
FA-1	Dept. Hardware & Software		10	2	2	2	6	22	2
FA-2	Servers		10	6	4	2	6	28	3
FA-3	Great Plains/Cogsdale							-	
FA-4	Telephony							-	
FA-5	Vehicle Replacement							-	
1	Security System	12	10	2	2	4	6	36	1
2	Network&Comm Infrastructure Ex							-	

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	215,500	240,000	300,000	310,000	185,000	1,250,500
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	215,500	240,000	300,000	310,000	185,000	1,250,500

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
32 - Information Technology Services

Request #: FA - 1
Fixed Asset #: 439918001
Priority #: 2

Fixed Asset Name: Dept. Hardware & Software

Fixed Asset Description: Hardware & Software requests from departments, including but not limited to the following: Incident Software, Windows Server Datacenter Licenses and Monitoring Software.

Justification for Purchase: Fulfill the hardware and software needs of all departments in meeting the demands for increased productivity and effectiveness in providing services to FPUA customers.

Alternatives: Continue utilizing existing hardware/software throughout all departments resulting in degradation of technology services available to ensure various departments can run as efficiently and effectively as possible.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 115,500**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 515,500**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 6658 - Doug Pupard

Purchase Required By: Efficiency/Safety **Class ID:** **4399 - COMPUTER EQUIPMENT**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	Various		$ 115,500
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 115,500

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	x
Replace Worn Out Equipment	x
Reduce Personnel Time	x
Expand Service	x
Other	
New Operation	x
Improve Operations	x

Quantity	
Replacements	1
Additions	3
Total	4

Proposed Funding Sources:	
Rates	$ 115,500
Other (describe)	-
Total	$ 115,500

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
32 - Information Technology Services

Request #: FA - 2
Fixed Asset #: 439918002
Priority #: 3

Fixed Asset Name: Servers

Fixed Asset Description: Replacement of servers.

Justification for Purchase: Replacement of servers as needed to ensure efficient and effective operations.

Alternatives: Continue utilizing non-warrantied and outdated equipment which will become more costly if repairs are needed and rely on a server environment that is not hardened, possibly resulting in lost production time due to extended outage of shared data services.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 50,000**	**$ 30,000**	**$ 50,000**	**$ 30,000**	**$ 50,000**	**$ 210,000**

Anticipated Purchase Date: 12/1/2017 **Project Manager:** 6658 - Doug Pupard

Purchase Required By: Reliability **Class ID:** **4399 - COMPUTER EQUIPMENT**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	Various	$ -	$ 50,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 50,000

Areas:	
Scheduled Replacement	X
Replace Obsolete Equipment	X
Replace Worn Out Equipment	X
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	X

Quantity	
Replacements	2
Additions	-
Total	2

Proposed Funding Sources:	
Rates	$ 50,000
Other (describe)	-
Total	$ 50,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
32 - Information Technology Services

Request #: FA - 3
Fixed Asset #:
Priority #: 0

Fixed Asset Name: Great Plains/Cogsdale

Fixed Asset Description: Software Modules

Justification for Purchase: Additional CSM locations.

Alternatives: Do not purchase additional modules and continue using inefficient processes.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ 10,000	$ -	$ 10,000	$ -	$ 20,000

Anticipated Purchase Date: 10/1/2018 **Project Manager:** 6502 - Tom Fryar

Purchase Required By: Efficiency **Class ID:** 4399 - COMPUTER EQUIPMENT

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price			$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	
Reduce Personnel Time	
Expand Service	X
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	-
Additions	-
Total	-

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
32 - Information Technology Services

Request #: FA - 4
Fixed Asset #:
Priority #: 0

Fixed Asset Name: Telephony

Fixed Asset Description: Software upgrade to VoIP System

Justification for Purchase: Upgrade of software for the VoIP System to ensure technology is up to date.

Alternatives: Continue utilitzing the application at their current build and version release, and no longer receive cost efficient support as needed on product issues.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ -	$ 65,000	$ -	$ -	$ 65,000

Anticipated Purchase Date: 1/2/2020 **Project Manager:** 6658 - Doug Pupard

Purchase Required By: R&R **Class ID:** 4397 - COMMUNICATION EQUIPMENT

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	X
Replace Obsolete Equipment	X
Replace Worn Out Equipment	X
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	X

Quantity	
Replacements	-
Additions	-
Total	-

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
32 - Information Technology Services

Request #: FA - 5
Fixed Asset #:
Priority #: 0

Fixed Asset Name: Vehicle Replacement

Fixed Asset Description: Vehicle Replacement

Justification for Purchase: Replacement of 2006 Ford Escape

Alternatives: Contunue using the vehicle at a higher annual maintenance rate.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ -	$ -	$ 25,000	$ -	$ 25,000

Anticipated Purchase Date: _____ **Project Manager:** _____

Purchase Required By: _____ **Class ID:** _____

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	-
Additions	-
Total	-

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**
11-203	Ford Escape / 1FMCU02Z36KD04512	58,759 / 12			

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
32 - Information Technology Services

Project Title: Security System

Request #: 1
Project #: 402
Priority #: 1
Project Type: BLKT

Description of Project: Security System

Location: FPUA locations

Justification: Continuation of taking proactive measures to make and enhance a homogeneous security system for all FPUA properties and to comply with increased security scrutiny in government regulations.

Alternatives: Continue using inefficient and unreliable mixtures of camera systems with no integration, expensive out-sourcing of support from multiple vendors, inability to realize cost savings by economy of scale purchasing and possibility of being fined for not meeting regulatory requirements.

Describe any site preparation or removal of existing assets: None.

Impact to operating income: Does not increase operating income but will provide needed security for FPUA properties.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6502 - Tom Fryar

Purchase Required By: DHS/NERC/Safety

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
	50,000	50,000	50,000	25,000	-	175,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	50,000	50,000	50,000	25,000	-	175,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	50,000	50,000	50,000	25,000	-	175,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	50,000	50,000	50,000	25,000	-	175,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
32 - Information Technology Services

Project Title: Network&Comm Infrastructure Ex

Request #: 2
Project #: 403
Priority #: 0
Project Type: BLKT

Description of Project: Network & Communications Infrastructure Expansion

Location: Various FPUA locations

Justification: Required to meet FPUA communications standards for expansion to key areas of equipment and to ensure redundant paths to each critical facility. This includes allowing for expansion of the current corporate fiber infrastructure to reach other FPUA facilities as needed.

Alternatives: Continue using the existing infrastructure that provides slower, less efficient and less reliable communication transmissions.

Describe any site preparation or removal of existing assets: None.

Impact to operating income: Does not increase operating income but may prevent the loss of revenue and production time should the system become damaged.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6658 - Doug Pupard

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
4397 - COMMUNICATION EQUIPMENT	-	25,000	20,000	70,000	20,000	135,000
4393 - STORES/WAREHOUSE EQUIPMENT	-	25,000	15,000	50,000	15,000	105,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	50,000	35,000	120,000	35,000	240,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	50,000	35,000	120,000	35,000	240,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	-	50,000	35,000	120,000	35,000	240,000

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 35 - Facilities

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
FA-1	Chilled Water Air Handlers	-	75,000	-	-	-	-	75,000
FA-2	ESC Entrance Roll-up Door	-	30,000	-	-	-	-	30,000
FA-3	Annex Air Handlers	-	-	37,500	-	-	-	37,500
FA-4	Replace Chiller at ESC	-	-	-	-	-	120,000	120,000
Total		-	105,000	37,500	-	-	120,000	262,500

Request Number	Project Title or Asset Name	Priority Rating Area							
		I	II	III	IV	V	VI	Total Points	Dept. Head Rating
FA-1	Chilled Water Air Handlers	8	10	6	6	4	6	40	1
FA-2	ESC Entrance Roll-up Door	8	6	8	6	2	6	36	2
FA-3	Annex Air Handlers	8	6	6	6	2	6	34	
FA-4	Replace Chiller at ESC	8	6	6	6	2	6	34	

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	105,000	37,500	-	-	120,000	262,500
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	105,000	37,500	-	-	120,000	120,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
35 - Facilities

Request #: FA - 1
Fixed Asset #: 439018001
Priority #: 1

Fixed Asset Name: Chilled Water Air Handlers

Fixed Asset Description: Two Chilled Water Air Handlers for the HVAC system that are located on the second floor of the Energy Services Center (ESC).

Justification for Purchase: The air handlers were installed during the construction of the building in 1994, at this time the air handlers have been in service for 23 years . The two air handlers on the first floor will be replaced in Fiscal 2017. The chiller that these air handlers work in conjuction with was installed in October of 2005.

Alternatives: Replace coils, blower fans, and pan in the old cabinets. The coils will cost at least $8,000 and be placed in deteriorating cabinets with inefficeint blower motors and fans.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 75,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 75,000**

Anticipated Purchase Date: 12/1/2017 **Project Manager:** 6266 - Eric Winterstein

Purchase Required By: Reliability **Class ID:** **4390 - STRUCTURES & IMPROVEMENTS**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	2	$ 37,500	$ 75,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 75,000

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	x
Replace Worn Out Equipment	x
Reduce Personnel Time	x
Expand Service	
Other	
New Operation	
Improve Operations	x

Quantity	
Replacements	2
Additions	-
Total	2

Proposed Funding Sources:	
Rates	$ 75,000
Other (describe)	-
Total	$ 75,000

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition
FACO131	Air Handler #3	24 years	Fair		Scrap
FAC132	Air Handler #4	24 years	Fair		Scrap

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
35 - Facilities

Request #: FA - 2
Fixed Asset #: 439018002
Priority #: 2

Fixed Asset Name: ESC Entrance Roll-up Door

Fixed Asset Description: Overhead roll-up door for front entrance of ESC

Justification for Purchase: Eliminate staff time to install hurricane shutters on the front entrance at ESC the Emergency Operations Center for FPUA. The front entrance of the building can remain open for employees to egress, stocking supplies and equipment needed to prepare for storm restoration. When the storm has passed, the door can be raised without the use of staff performing storm restoration. This overhead door can also be used for security issues as needed.

Alternatives: Continue to put up the jigsaw puzzle hurricane panels that require three men and a bucket truck to install.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 30,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 30,000**

Anticipated Purchase Date: 12/1/2017 **Project Manager:** 6266 - Eric Winterstein

Purchase Required By: Storm Hardening **Class ID:** **4390 - STRUCTURES & IMPROVEMENTS**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 30,000	$ 30,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 30,000

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	x
Replace Worn Out Equipment	
Reduce Personnel Time	x
Expand Service	
Other	
New Operation	
Improve Operations	x

Quantity	
Replacements	-
Additions	1
Total	1

Proposed Funding Sources:	
Rates	$ 30,000
Other (describe)	-
Total	$ 30,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**
	None				

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
35 - Facilities

Request #: FA - 3
Fixed Asset #:
Priority #: 0

Fixed Asset Name: Annex Air Handlers

Fixed Asset Description: Replace the two air handlers located in the mechanical room located on the second floor at 500 Boston Avenue

Justification for Purchase: These freon based air handlers were built in August of 1992. They will be in service 27 years in 2019. The equipment will be in need of repair by Fiscal 2019. The existing equipment is inefficient and lacking of an energy management system. Access for the removal of the old units and the installation of the new units will be through the east side of the building by a conveyance machine.

Alternatives: Continue using the existing inefficient air handlers and replace parts as they fail.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ 37,500	$ -	$ -		$ 37,500

Anticipated Purchase Date: 10/1/2018 **Project Manager:** 6266 - Eric Winterstein

Purchase Required By: Reliability **Class ID:** 4390 - STRUCTURES & IMPROVEMENTS

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	x
Replace Worn Out Equipment	x
Reduce Personnel Time	x
Expand Service	
Other	
New Operation	
Improve Operations	x

Quantity	
Replacements	2
Additions	-
Total	2

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition
FAC 0137	Snyder General S# 3XHD1211-04	25 years	Fair		Scrap
FAC 0139	Snyder General S# 3XHD1212-04	25 years	Fair		Scrap

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
35 - Facilities

Request #: FA - 4
Fixed Asset #:
Priority #: 0

Fixed Asset Name: Replace Chiller at ESC

Fixed Asset Description: Replace 110 ton chiller at ESC, increase unit size to 120 ton to accomodate mezzanine office expansion

Justification for Purchase: The existing unit was installed in 2005 and will be 20 years old in 2025. The life cycle of this equipment is 20 years of continual service. Although 110 ton chiller is operating at maximum capacity, it will not meet the needs of future expansion of the warehouse mezzanines for office space. If this additional office space is needed, the most efficient way to cool the space is with a chiller.

Alternatives: Continue using the existing chiller beyond its life cycle and add multiple stand alone HVAC systems for the future office space on the mezzanine as needed.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ -	$ -	$ -	$ 120,000	$ 120,000

Anticipated Purchase Date: 10/1/2022 **Project Manager:** 6266 - Eric Winterstein

Purchase Required By: Reliability **Class ID:** 4390 - STRUCTURES & IMPROVEMENTS

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	
Reduce Personnel Time	
Expand Service	x
Other	
New Operation	
Improve Operations	x

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition
	ESC chiller S#STNU050900067	12 years	Good		Sell

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 54 - Electric Transmission & Distribution

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
FA-1	Large Pole Trailer	-	45,000	-	-	-	-	45,000
FA-2	Tractor Loader Backhoe	-	24,000	-	-	-	-	24,000
FA-3	55 Foot Material Handler	-	295,000	-	-	-	-	295,000
FA-4	55 Foot Material Handler	-	-	295,000	-	-	-	295,000
FA-5	3/4 Ton Pickup	-	40,000	-	-	-	-	40,000
FA-6	55 Foot Material Handler	-	-	-	300,000	-	-	300,000
FA-7	110 Foot Material Handler	-	-	-	-	400,000	-	400,000
1	Retirement from plant	164,191	155,900	160,574	165,880	170,692	175,472	828,518
2	Transformer Replacement	98,687	91,769	94,542	97,378	100,578	103,396	487,663
3	Distribution Pole Replacement	501,341	269,681	277,752	286,084	294,667	303,363	1,431,547
4	Transmission Pole Replacement	19,713	27,418	28,771	29,634	30,525	31,440	147,788
5	Substation improvements (R&R	30,000	54,025	55,620	57,288	59,077	60,849	286,859
6	Trans & Dist Improvements	764,428	465,245	479,201	493,849	508,357	523,607	2,470,259
Total		1,578,360	1,468,038	1,391,460	1,430,113	1,563,896	1,198,127	7,051,634

Request Number	Project Title or Asset Name	Priority Rating Area							
		I	II	III	IV	V	VI	Total Points	Dept. Head Rating
FA-1	Large Pole Trailer	8	6	3	2	2	6	27	7
FA-2	Tractor Loader Backhoe	8	8	6	2	2	6	32	8
FA-3	55 Foot Material Handler	10	8	3	4	2	6	33	9
FA-4	55 Foot Material Handler	8	6	3	4	2	6	29	
FA-5	3/4 Ton Pickup	8	8	3	4	2	6	31	10
FA-6	55 Foot Material Handler	8	6	3	4	2	6	29	
FA-7	110 Foot Material Handler	8	6	3	4	2	6	29	
1	Retirement from plant	10	8	3	4	6	6	37	4
2	Transformer Replacement	10	6	3	4	6	6	35	6
3	Distribution Pole Replacement	12	10	3	4	6	6	41	1
4	Transmission Pole Replacement	8	6	3	4	6	6	33	5
5	Substation improvements (R&R	8	8	3	4	6	6	35	2
6	Trans & Dist Improvements	8	8	3	4	6	6	35	3

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	1,468,038	1,391,460	1,430,113	1,563,896	1,198,127	7,051,634
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	1,468,038	1,391,460	1,430,113	1,563,896	1,198,127	7,051,634

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
54 - Electric Transmission & Distribution

Request #: FA - 1
Fixed Asset #: 539218001
Priority #: 7

Fixed Asset Name: Large Pole Trailer

Fixed Asset Description: Large trailer to transport longer heavier poles to job site.

Justification for Purchase: Replace aging pole trailer that has reached the end of useful life.

Alternatives: Maintain older trailer in service and deal with increased maintenance and repair cost.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 45,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 45,000**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 6058 - Bill Crawford

Purchase Required By: R&R **Class ID:** **5392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 45,000	$ 45,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 45,000

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ 45,000
Other (describe)	-
Total	$ 45,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**
62-539	22000 pound pole trailer	12 years	poor		trade in or auction

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
54 - Electric Transmission & Distribution

Request #: FA - 2
Fixed Asset #: 539218002
Priority #: 8

Fixed Asset Name: Tractor Loader Backhoe

Fixed Asset Description: Kubota model ALR9192/ALR9195R4 Tractor loader backhoe or equivalent

Justification for Purchase: Existing equipment is 13 years old and is undersized for our use and requires replacement. Over $4,000 in repairs has been made to this piece of equipment over the last several years. Electric T & D will contribute half the cost for this equipment since it is used for ROW cutting. Purchase was postponed from last year.

Alternatives: Continue to pay for expensive repairs on the current piece of equipment

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 24,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 24,000**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 5819 - Craig Crawford

Purchase Required By: Reliability **Class ID:** **5392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 24,000	$ 24,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 24,000

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ 24,000
Other (describe)	-
Total	$ 24,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**
49-506	Kubota Track loader Backhoe	1130/13	Fair		Auction/sale/scrap

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
54 - Electric Transmission & Distribution

Request #: FA - 3
Fixed Asset #: 539218003
Priority #: 9

Fixed Asset Name: 55 Foot Material Handler

Fixed Asset Description: 55 foot material handler used for distribution electrical work

Justification for Purchase: Replaces aging bucket truck that is near it's safe useful life with 12131 hours of use. This is part of Dept. 54's 10 year vehicle replacement plan.

Alternatives: Keep aging vehicle in service and deal with costly repair and maintenance cost.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 295,000**		**$ -**	**$ -**	**$ -**	**$ 295,000**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 6058 - Bill Crawford

Purchase Required By: R&R **Class ID:** **5392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 295,000	$ 295,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 295,000

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ 295,000
Other (describe)	-
Total	$ 295,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**
21-382	07 Freightliner	61699/11	fair/poor		Trade/auction

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
54 - Electric Transmission & Distribution

Request #: FA - 4
Fixed Asset #:
Priority #: 0

Fixed Asset Name: 55 Foot Material Handler

Fixed Asset Description: 55 foot material handler bucket truck for distribution work

Justification for Purchase: Replaces aging bucket truck with 8000 hours of use. This is part of dept. 54's 10 year replacement plan.

Alternatives: Keep aging vehicle in service and deal with repairs and maintenance cost

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ 295,000	$ -	$ -	$ -	$ 295,000

Anticipated Purchase Date: 10/1/2018 **Project Manager:** 6058 - Bill Crawford

Purchase Required By: R&R **Class ID:** 5392 - VEHICLES

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**
21-386	07 Frieghtliner	60000/10	fair		Trade/auction

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
54 - Electric Transmission & Distribution

Request #: FA - 5
Fixed Asset #: 539218004
Priority #: 10

Fixed Asset Name: 3/4 Ton Pickup

Fixed Asset Description: Flat bed truck used for hauling equipment and materials to job site.

Justification for Purchase: Replacing aging vehicle with high mileage. This is part of dept. 54's 10 year vehicle replacement plan.

Alternatives: Keep aging vehicle in service and deal with costly repair and maintenance cost.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 40,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 40,000**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 6266 - Eric Winterstein

Purchase Required By: R&R **Class ID:** **5392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 40,000	$ 40,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 40,000

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ 40,000
Other (describe)	-
Total	$ 40,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**
21-373	02 GMC Sierra	126,429/15	poor		Auction

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
54 - Electric Transmission & Distribution

Request #: FA - 6
Fixed Asset #:
Priority #: 0

Fixed Asset Name: 55 Foot Material Handler

Fixed Asset Description: 55 foot material handler bucket truck for distribution work

Justification for Purchase: Replaces aging bucket truck with 7821 hours of use. Part of Dept 54's 10 year replacement plan

Alternatives: Keep aging vehicle in service and deal with repairs and other maintenance costs.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ -	$ 300,000	$ -	$ -	$ 300,000

Anticipated Purchase Date: 10/1/2019 **Project Manager:** 6058 - Bill Crawford

Purchase Required By: R&R **Class ID:** 5392 - VEHICLES

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	-
Additions	-
Total	-

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**
21-389	55 ft material handler	49514/9	fair		Trade/auction

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
54 - Electric Transmission & Distribution

Request #: FA - 7
Fixed Asset #:
Priority #: 0

Fixed Asset Name: 110 Foot Material Handler

Fixed Asset Description: 110 foot bucket truck used for transmission and distribution work

Justification for Purchase: Replaces aging bucket truck with 10,071 hours of use. Part of Dept 54's 10 year replacement plan. Current truck has limited reach on taller transmission poles.

Alternatives: Keep aging vehicle in service and deal with higher repairs and other maintenance costs. Rental of a tall bucket truck that could take a week to arrive on site.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ -		$ 400,000	$ -	$ 400,000

Anticipated Purchase Date: 10/1/2020 **Project Manager:** 6058 - Bill Crawford

Purchase Required By: R&R **Class ID:** 5392 - VEHICLES

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition
21-378	03 frieghtliner elevator bucket	63930/14	poor		auction

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
54 - Electric Transmission & Distribution

Project Title: Retirement from plant

Request #: 1
Project #: 501
Priority #: 4
Project Type: BLKT

Description of Project: Removal of old transformers, poles and wire

Location: Entire FPUA service area

Justification: This project is for the removal of electrical facilities that are no longer needed. The PSC requires the removal of electrical facilities no longer needed.

Alternatives: Delay the removal of unused assets.

Describe any site preparation or removal of existing assets: Assets to be removed include poles, transformers, lights, conductors, anchors, etc.

Impact to operating income: None

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6058 - Bill Crawford

Purchase Required By: PSC

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5353 - SUBSTATION EQUIPMENT (Transmission)	13,752	14,164	14,589	15,000	15,400	72,905
5355 - POLES & FIXTURES (Transmission)	13,752	14,164	14,589	15,000	15,400	72,905
5356 - OVERHEAD LINES & DEVICES (Trans)	13,752	14,164	14,589	15,000	15,400	72,905
5362 - STATION EQUIPMENT (Distribution)	12,605	12,983	13,372	13,773	14,187	66,920
5364 - POLES, TOWERS & FIXTURES (Distribution)	12,605	12,983	13,372	13,773	14,187	66,920
5365 - OVERHEAD LINES & DEVICES (Distribution)	18,335	18,885	19,942	20,500	21,000	98,662
5367 - UNDERGROUND LINES & DEVICES (Dist)	12,605	12,983	13,372	13,773	14,187	66,920
5368 - TRANSFORMERS (Distribution)	8,022	8,263	8,511	8,766	9,000	42,562
5369 - SERVICE LINES (Distribution)	27,553	28,379	29,230	30,107	31,011	146,280
5372 - RENTAL LIGHTS (Distribution)	9,167	9,442	9,725	10,000	10,300	48,634
5373 - FPUA STREET LIGHTS (COUNTY & SLV) (Dist)	13,752	14,164	14,589	15,000	15,400	72,905
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	155,900	160,574	165,880	170,692	175,472	828,518

Actual Amount Spent 10/1/16- 3/31/17	15,226

Inception through 9/30/16	34,191
Estimated Cost for FY 2017	130,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	164,191

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	155,900	160,574	165,880	170,692	175,472	828,518
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	155,900	160,574	165,880	170,692	175,472	828,518

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
54 - Electric Transmission & Distribution

Project Title: Transformer Replacement

Request #: 2
Project #: 504
Priority #: 6
Project Type: BLKT

Description of Project: Replacement of padmount transformers identified through our inspection program.

Location: FPUA electric service area

Justification: Part of an on-going inspection program to comply with NESC requirements.

Alternatives: Delay replacement of units failing inspection. This is not desirable due to the potential impact to public safety and service reliability.

Describe any site preparation or removal of existing assets: Deteriorated transformers would be removed and replaced.

Impact to operating income: The impact is a combination of avoided restoration cost plus revenue during outages. Total estimated at $6000.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6058 - Bill Crawford

Purchase Required By: NESC

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5367 - UNDERGROUND LINES & DEVICES (Dist)	11,014	11,344	11,684	12,035	12,396	58,473
5368 - TRANSFORMERS (Distribution)	80,755	83,198	85,694	88,543	91,000	429,190
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	91,769	94,542	97,378	100,578	103,396	487,663

Actual Amount Spent 10/1/16- 3/31/17	32,367

Inception through 9/30/16	4,687
Estimated Cost for FY 2017	94,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	98,687

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	91,769	94,542	97,378	100,578	103,396	487,663
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	91,769	94,542	97,378	100,578	103,396	487,663

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
54 - Electric Transmission & Distribution

Project Title: Distribution Pole Replacement

Request #: 3
Project #: 505
Priority #: 1
Project Type: BLKT

Description of Project: Replace distribution poles that failed inspection by contractor specializing in wood pole testing.

Location: FPUA electric service area

Justification: This is part of an on-going pole inspection and maintenance program to identify and correct deficiencies before they become a problem. Pole inspection programs are a NESC and PSC requirement. Approximately 400 poles to be replaced.

Alternatives: Delay replacement. This is not recommended due to impact on reliability and compliance with PSC mandate.

Describe any site preparation or removal of existing assets: Replace deteriorated poles.

Impact to operating income: None

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6136 - Bill Kaeff

Purchase Required By: PSC

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5364 - POLES, TOWERS & FIXTURES (Distribution)	86,298	88,867	91,533	94,279	97,000	457,977
5365 - OVERHEAD LINES & DEVICES (Distribution)	75,998	78,278	80,626	83,045	85,500	403,447
5368 - TRANSFORMERS (Distribution)	97,085	99,998	102,998	106,088	109,270	515,439
5369 - SERVICE LINES (Distribution)	10,300	10,609	10,927	11,255	11,593	54,684
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	269,681	277,752	286,084	294,667	303,363	1,431,547

Actual Amount Spent 10/1/16- 3/31/17	72,598

Inception through 9/30/16	224,341
Estimated Cost for FY 2017	277,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	501,341

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	269,681	277,752	286,084	294,667	303,363	1,431,547
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	269,681	277,752	286,084	294,667	303,363	1,431,547

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
54 - Electric Transmission & Distribution

Project Title: Transmission Pole Replacement

Request #: 4
Project #: 507
Priority #: 5
Project Type: BLKT

Description of Project: Replace transmission poles that fail inspection

Location: FPUA electric service area

Justification: This is part of an on-going pole inspection and maintenance program to identify and correct deficiencies before they become a problem. Pole inspection programs are required by NESC and PSC.

Alternatives: Delay replacement. This is not recommended due to compliance with PSC mandate and reliability.

Describe any site preparation or removal of existing assets: Replace deteriorated pole.

Impact to operating income: None

Anticipated start date: On-Going

Anticipated completion date: On-Going

Project Manager: 6136 - Bill Kaeff

Purchase Required By: PSC

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5355 - POLES & FIXTURES (Transmission)	7,035	7,035	7,246	7,463	7,687	36,466
5356 - OVERHEAD LINES & DEVICES (Trans)	5,267	5,796	5,970	6,150	6,334	29,517
5365 - OVERHEAD LINES & DEVICES (Distribution)	5,267	5,796	5,970	6,150	6,334	29,517
5368 - TRANSFORMERS (Distribution)	7,035	7,246	7,463	7,687	7,918	37,349
5369 - SERVICE LINES (Distribution)	2,814	2,898	2,985	3,075	3,167	14,939
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	27,418	28,771	29,634	30,525	31,440	147,788

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	3,713
Estimated Cost for FY 2017	16,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	19,713

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	27,418	28,771	29,634	30,525	31,440	147,788
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	27,418	28,771	29,634	30,525	31,440	147,788

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
54 - Electric Transmission & Distribution

Project Title: Substation improvements (R&R)

Request #: 5
Project #: 511
Priority #: 2
Project Type: BLKT

Description of Project: Miscellaneous substation improvements. Batteries, bulbs, wire, insulators, etc..

Location: All FPUA transmission and substations

Justification: This project is necessary to fund replacement of items that fail or are scheduled for replacement.

Alternatives: Allow substation equipment to deteriorate and accept a lower level of reliability and safety for our employees.

Describe any site preparation or removal of existing assets: None

Impact to operating income: None

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6058 - Bill Crawford

Purchase Required By: R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5353 - SUBSTATION EQUIPMENT (Transmission)	11,886	12,243	12,610	13,000	13,390	63,129
5361 - STRUCTURES & IMPROVEMENTS (Dist)	8,104	8,347	8,598	8,900	9,167	43,116
5362 - STATION EQUIPMENT (Distribution)	14,587	15,025	15,475	16,000	16,480	77,567
5365 - OVERHEAD LINES & DEVICES (Distribution)	8,104	8,347	8,597	8,850	9,115	43,013
5366 - UNDERGROUND CONDUIT (Distribution)	3,241	3,338	3,438	3,500	3,605	17,122
5375 - FIBER OPTIC CABLE (Distribution)	2,161	2,200	2,266	2,333	2,403	11,363
5364 - POLES, TOWERS & FIXTURES (Distribution)	5,942	6,120	6,304	6,494	6,689	31,549
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	54,025	55,620	57,288	59,077	60,849	286,859

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	30,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	30,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	54,025	55,620	57,288	59,077	60,849	286,859
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	54,025	55,620	57,288	59,077	60,849	286,859

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
54 - Electric Transmission & Distribution

Project Title: Trans & Dist Improvements

Request #: 6
Project #: 515
Priority #: 3
Project Type: BLKT

Description of Project: Improvement (R&R) of transmission and distribution electric lines

Location: Entire FPUA electric service area

Justification: This project is necessary to fund replacement of T&D facilities that fail or have reached end of life.

Alternatives: Allow equipment to deteriorate and accept a lower level of reliability and safety for the public and our employees.

Describe any site preparation or removal of existing assets: None

Impact to operating income: None

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6136 - Bill Kaeff

Purchase Required By: R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5364 - POLES, TOWERS & FIXTURES (Distribution)	90,200	92,906	95,963	99,000	101,970	480,039
5365 - OVERHEAD LINES & DEVICES (Distribution)	56,968	58,677	60,438	62,000	63,860	301,943
5366 - UNDERGROUND CONDUIT (Distribution)	80,706	83,127	85,621	88,000	90,640	428,094
5367 - UNDERGROUND LINES & DEVICES (Dist)	71,211	73,347	75,548	77,814	80,148	378,068
5368 - TRANSFORMERS (Distribution)	128,180	132,025	135,986	140,000	144,200	680,391
5369 - SERVICE LINES (Distribution)	23,737	24,449	25,183	25,983	26,762	126,114
5372 - RENTAL LIGHTS (Distribution)	14,243	14,670	15,110	15,560	16,027	75,610
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	465,245	479,201	493,849	508,357	523,607	2,470,259

Actual Amount Spent 10/1/16- 3/31/17	185,789

Inception through 9/30/16	314,428
Estimated Cost for FY 2017	450,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	764,428

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	465,245	479,201	493,849	508,357	523,607	2,470,259
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	465,245	479,201	493,849	508,357	523,607	2,470,259

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 55 - Electric Operations

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
FA-1	Small Pickup Truck MIR's	-	24,040	24,761	25,504	26,269	27,057	127,631
FA-2	Meter Test Board	-	38,000	-	-	-	-	38,000
1	Electric Meter Replacements	172,202	160,000	160,000	160,000	160,000	160,000	800,000
Total		172,202	222,040	184,761	185,504	186,269	187,057	965,631

Request Number	Project Title or Asset Name	Priority Rating Area							
		I	II	III	IV	V	VI	Total Points	Dept. Head Rating
FA-1	Small Pickup Truck MIR's	10	8	6	6	6	6	42	1
FA-2	Meter Test Board	8	6	6	8	4	6	38	3
1	Electric Meter Replacements	8	10	8	6	2	6	40	2

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	62,040	24,761	25,504	26,269	27,057	165,631
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	160,000	160,000	160,000	160,000	160,000	800,000
Total	222,040	184,761	185,504	186,269	187,057	965,631

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
55 - Electric Operations

Request #: FA - 1
Fixed Asset #: 539218005
Priority #: 1

Fixed Asset Name: Small Pickup Truck MIR's

Fixed Asset Description: Replace aging pickup trucks that have reached end of useful life. This is part of department 55's 12-year vehicle replacement plan.

Justification for Purchase: Replace aging pickup trucks that have reached end of useful life. This is part of department 55's 12-year vehicle replacement plan. I would like fleet management to look at buying smaller size trucks going forward as they are easier to maneuver and are more economical and fuel efficient.

Alternatives: Keep aging vehicles in service and deal with repair and other maintenance cost.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 24,040**	**$ 24,761**	**$ 25,504**	**$ 26,269**	**$ 27,057**	**$ 127,631**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 6518 - Thomas Parker

Purchase Required By: R&R **Class ID:** **5392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ -	$ 24,040
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 24,040

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ 24,040
Other (describe)	-
Total	$ 24,040

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**
55-15-549	2004 - F250 Pickup Truck	96,964	Poor	$999.00	2018 Replacement
	Vehicle Matrix Score = 13				

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
55 - Electric Operations

Request #: FA - 2
Fixed Asset #: 537018001
Priority #: 3

Fixed Asset Name: Meter Test Board

Fixed Asset Description: We replaced the first meter test board in 2016. This is the second meter test board and it will be replaced In 2018. This equipment is used to verify and calibrate the accuracy of electric revenue meters.

Justification for Purchase: This is the last of two meter test boards we own that are obsolete and reaching end of life. The original manufacturer no longer makes spare parts.

Alternatives: If the existing units become unserviceable, we would have to discontinue our test program.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ 38,000	$ -	$ -	$ -	$ -	$ 38,000

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 6518 - Thomas Parker

Purchase Required By: R&R **Class ID:** 5370 - METERS

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ -	$ 38,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 38,000

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	x
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	x

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ 38,000
Other (describe)	-
Total	$ 38,000

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
55 - Electric Operations

Project Title: Electric Meter Replacements

Request #: 1
Project #: 514
Priority #: 2
Project Type:

Description of Project: Strategic deployment of AMR meters, for greater ability to remote read meters.

Location: Eventual system wide deployment of AMR meters over ten year period.

Justification: Through the strategic deployment of AMR meters, we will have a greater ability to remote read meters by using drive-by reading. This will eliminate the need to have meter readers walk to every meter to get a manual read, thereby reducing the read time spent on routes and reduce error reads.

Alternatives: Continue to read the electro-mechanical meters by using walk up personnel. The walk up process is much less efficient than using the drive-by method. This method also results in more meter read errors that result in personnel having to return to the site and get the correct meter read.

Describe any site preparation or removal of existing assets: Meter technician and MIR's will facilitate the removal of old electro-mechinical meter and replace with new AMR meter

Impact to operating income:

Anticipated start date: 10/1/2018 **Anticipated completion date:** 9/30/2028

Project Manager: 6518 - Thomas Parker **Purchase Required By:** Efficiency/Safety

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5370 - METERS (Distribution)	160,000	160,000	160,000	160,000	160,000	800,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	160,000	160,000	160,000	160,000	160,000	800,000

Actual Amount Spent 10/1/16- 3/31/17	53,369

Inception through 9/30/16	65,464
Estimated Cost for FY 2017	106,738
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	172,202

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	160,000	160,000	160,000	160,000	160,000	800,000
Total	160,000	160,000	160,000	160,000	160,000	800,000

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 56 - Electric & Gas Engineering - Electric

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
FA-1	1/2 Ton 4x4 Pickup Truck	-	27,500	-	-	-	-	27,500
FA-2	1/2 Ton 4x4 Pickup Truck	-	-	27,500	-	-	-	27,500
1	Auto Reclsure Reliab Imprvmnts	10,000	10,000	10,000	10,000	10,000	10,000	50,000
2	New Construction - Line Ext	10,000	10,000	10,300	10,610	10,930	11,260	53,100
3	Storm Surge & Hardening - NESC	60,000	80,000	82,400	84,873	87,419	90,041	424,733
4	69KV Breaker Replacement	30,000	30,000	100,000	100,000	100,000	100,000	430,000
5	Electric Sys VAR Control Expan	6,500	10,000	10,300	10,610	10,927	11,257	53,094
6	Governmental & Other Required	85,000	460,000	469,200	478,584	488,152	497,915	2,393,851
7	New Construction-Residential	50,000	77,500	79,050	80,630	82,242	83,885	403,307
8	Replacement of OH & UG Lines	50,000	34,000	35,020	36,071	37,153	38,269	180,513
9	New Construction-Commercial	180,000	275,000	283,250	291,748	300,500	309,515	1,460,013
10	New Construction-Rental Lights	50,000	50,000	51,500	53,044	54,637	56,277	265,458
11	Overhead/Underground Serv Conv	72,000	92,500	95,275	98,134	101,074	104,109	491,092
12	Electric Regulatory Compliance	29,751	20,000	20,000	20,000	20,000	20,000	100,000
13	Kings Hwy- Okee Rd to Angle Rd	9,000	21,250	10,000	-	-	-	31,250
14	Substation Regulators	35,000	280,000	280,000	280,000	280,000	280,000	1,400,000
15	17th St - Orange Ave to Ave D	5,000	10,000	10,000	-	-	-	20,000
16	US Hwy 1 - Midway to Edwards	114,233	73,000	-	-	-	-	73,000
17	Totten/Hartman Improvements	20,926	80,000	30,000	-	-	-	110,000
18	13th St - Virginia to Ave Q	500	10,000	7,000	7,000	-	-	24,000
19	Paradise Park Overhead Rebuild	50,000	63,000	-	-	-	-	63,000
20	North Bridge Reconstruction	-	10,000	7,000	7,000	-	-	24,000
21	Substation Transformer Replace	-	75,000	75,000	500,000	500,000	500,000	1,650,000
22	Harbor Branch Reliability Impr	-	50,000	50,000	-	-	-	100,000
Total		867,910	1,848,750	1,742,795	2,068,304	2,083,034	2,112,528	9,855,411

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 56 - Electric & Gas Engineering - Electric

Request Number	Project Title or Asset Name	Priority Rating Area						Total Points	Dept. Head Rating
		I	II	III	IV	V	VI		
FA-1	1/2 Ton 4x4 Pickup Truck	8	6	6	6	2	6	34	23
FA-2	1/2 Ton 4x4 Pickup Truck	8	6	6	6	2	6	34	24
1	Auto Reclsure Reliab Imprvmnts	8	8	6	6	4	4	36	22
2	New Construction - Line Ext	10	6	6	4	6	6	38	19
3	Storm Surge & Hardening - NESC	10	8	6	6	6	6	42	4
4	69KV Breaker Replacement	12	10	6	6	4	6	44	3
5	Electric Sys VAR Control Expan	10	6	8	6	4	4	38	21
6	Governmental & Other Required	10	6	6	6	4	6	38	20
7	New Construction-Residential	8	6	6	4	6	6	36	6
8	Replacement of OH & UG Lines	12	10	6	6	6	2	42	7
9	New Construction-Commercial	8	6	6	4	6	6	36	5
10	New Construction-Rental Lights	8	6	6	2	2	6	30	17
11	Overhead/Underground Serv Conv	8	6	3	6	2	6	31	8
12	Electric Regulatory Compliance	8	8	8	6	4	6	40	18
13	Kings Hwy- Okee Rd to Angle Rd	8	6	6	6	2	4	32	10
14	Substation Regulators	12	10	6	6	4	6	44	1
15	17th St - Orange Ave to Ave D	8	6	3	6	4	4	31	14
16	US Hwy 1 - Midway to Edwards	8	6	3	6	4	4	31	11
17	Totten/Hartman Improvements	10	8	6	6	4	6	40	9
18	13th St - Virginia to Ave Q	8	6	3	6	6	4	33	12
19	Paradise Park Overhead Rebuild	8	8	6	6	2	4	34	13
20	North Bridge Reconstruction	8	6	3	6	4	4	31	16
21	Substation Transformer Replace	12	10	6	4	6	6	44	2
22	Harbor Branch Reliability Impr	8	8	6	6	2	4	34	15

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	1,528,750	1,416,295	1,735,171	1,743,136	1,765,723	8,189,075
Contribution-in-Aid	320,000	326,500	333,133	339,898	346,805	1,666,336
Capital Improvement Charges	-	-	-	-	-	-
Total	1,848,750	1,742,795	2,068,304	2,083,034	2,112,528	9,855,411

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
56 - Electric & Gas Engineering - Electric

Request #: FA - 1
Fixed Asset #: 539218006
Priority #: 23

Fixed Asset Name: 1/2 Ton 4x4 Pickup Truck

Fixed Asset Description: Half Ton 4x4 Pickup Truck V6, Extended Cab, Power Accessories & Tow Package, Backup Alarm, Bluetooth

Justification for Purchase: The existing vehicle is not 4x4 and cannot get in/out of terrains demanded by the job site conditions. In addition, staff have limited space in the single cab for the high end GPS equipment, plans, and other safety related items. The existing vehicle should be considered for auction.

Alternatives: Continue to operate with current vehicle.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 27,500**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 27,500**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 6395 - Sal Scimeca

Purchase Required By: Efficiency/Safety **Class ID:** **5392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 26,000	$ 26,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	1	1,500	1,500
Totals			$ 27,500

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ 27,500
Other (describe)	-
Total	$ 27,500

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition
15-519	F150 Single Cab, Two Wheel Drive	71257	Poor	$0.00	Auction

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
56 - Electric & Gas Engineering - Electric

Request #: FA - 2
Fixed Asset #:
Priority #: 24

Fixed Asset Name: 1/2 Ton 4x4 Pickup Truck

Fixed Asset Description: Half Ton 4x4 Pickup Truck V6, Extended Cab, Power Accessories & Tow Package, Backup Alarm, Bluetooth

Justification for Purchase: The existing vehicle is not 4x4 and cannot get in/out of terrains demanded by the job site conditions. In addition, staff have limited space in the single cab for the high end GPS equipment, plans, and other safety related items. The existing vehicle should be considered for auction.

Alternatives: Continue to operate with current vehicle.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:		$ 27,500	$ -	$ -	$ -	$ 27,500

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 6626 - Michael Chidgey

Purchase Required By: Efficiency/Safety **Class ID:** 5392 - VEHICLES

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	-
Additions	-
Total	-

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**
15-528	F150 Single Cab, Two Wheel Drive	49315	Poor		Auction

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: Auto Reclsure Reliab Imprvmnts

Request #: 1
Project #: 503
Priority #: 22
Project Type: BLKT

Description of Project: Fault interrupters techonology will be installed to improve fuse coordination and decrease the number of outages

Location: Service Territory

Justification: This project will reduce interruptions to customers and improve reliability through the application of reclosers and neutral reactors.

Alternatives: Do nothing and respond to outages as they occur

Describe any site preparation or removal of existing assets: Concrete pads will need to be poured at substations for reactor stands. Poles may need to be replaced prior to installing reclosers.

Impact to operating income: The impact is a combination of avoided restoration costs and revenue losses during outages. Total estimated at $6,000 per year.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6284 - Larry Lammers

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5362 - STATION EQUIPMENT (Distribution)	5,000	5,000	5,000	5,000	5,000	25,000
5364 - POLES, TOWERS & FIXTURES (Distribution)	2,500	2,500	2,500	2,500	2,500	12,500
5365 - OVERHEAD LINES & DEVICES (Distribution)	2,500	2,500	2,500	2,500	2,500	12,500
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	10,000	10,000	10,000	10,000	50,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	10,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	10,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	10,000	10,000	10,000	10,000	10,000	50,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	10,000	10,000	10,000	10,000	10,000	50,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: New Construction - Line Ext

Request #: 2
Project #: 506
Priority #: 19
Project Type: BLKT

Description of Project: Off-site extensions or upgrade of feeder ties

Location: Service Territory

Justification: To maintain high quality of service and system reliability

Alternatives: None, these line extensions are necessary to maintain reliable service

Describe any site preparation or removal of existing assets: N/A

Impact to operating income: None

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6284 - Larry Lammers

Purchase Required By: PSC

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5364 - POLES, TOWERS & FIXTURES (Distribution)	2,000	2,060	2,122	2,186	2,252	10,620
5365 - OVERHEAD LINES & DEVICES (Distribution)	2,000	2,060	2,122	2,186	2,252	10,620
5366 - UNDERGROUND CONDUIT (Distribution)	2,000	2,060	2,122	2,186	2,252	10,620
5367 - UNDERGROUND LINES & DEVICES (Dist)	2,000	2,060	2,122	2,186	2,252	10,620
5368 - TRANSFORMERS (Distribution)	2,000	2,060	2,122	2,186	2,252	10,620
						-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	10,300	10,610	10,930	11,260	53,100

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	10,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	10,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	10,000	10,300	10,610	10,930	11,260	53,100
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	10,000	10,300	10,610	10,930	11,260	53,100

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: Storm Surge & Hardening - NESC

Request #: 3
Project #: 508
Priority #: 4
Project Type: BLKT

Description of Project: Hardening of Transmission and Distribution for critical facilities and essential customers. This includes replacement of primary lines that are suspectible to weather or vegetation

Location: Service Territory

Justification: To remain in compliance with National Electric Safety Code (NESC) Standards

Alternatives: None, The Public Service Commission requires FPUA to adhere to the NESC.

Describe any site preparation or removal of existing assets: N/A

Impact to operating income: None

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6284 - Larry Lammers

Purchase Required By: NESC

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5364 - POLES, TOWERS & FIXTURES (Distribution)	10,000	10,300	10,609	10,927	11,255	53,091
5365 - OVERHEAD LINES & DEVICES (Distribution)	10,000	10,300	10,609	10,927	11,255	53,091
5366 - UNDERGROUND CONDUIT (Distribution)	20,000	20,600	21,218	21,855	22,510	106,183
5367 - UNDERGROUND LINES & DEVICES (Dist)	20,000	20,600	21,218	21,855	22,510	106,183
5368 - TRANSFORMERS (Distribution)	15,000	15,450	15,914	16,391	16,883	79,638
5369 - SERVICE LINES (Distribution)	5,000	5,150	5,305	5,464	5,628	26,547
						-
						-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	80,000	82,400	84,873	87,419	90,041	424,733

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	60,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	60,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	80,000	82,400	84,873	87,419	90,041	424,733
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	80,000	82,400	84,873	87,419	90,041	424,733

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: 69KV Breaker Replacement

Request #: 4
Project #: 509
Priority #: 3
Project Type: BLKT

Description of Project: Replacement of aging 69kV Oil Circuit Breaker (OCB) in all substations. The replacement of these breakers reduces impact to the environment. This is a multi-year project.

Location: Service Territory

Justification: The 12 existing oil circuit breakers are over 30 years old and have reached the end of useful life. The total project cost is estimated at $1,200,000 for labor and materials

Alternatives: Continue to maintain the old units. This is not recommended because it will likely result in unscheduled extended outage affecting the 69kV transmission grid.

Describe any site preparation or removal of existing assets: The old OCB(s) will be removed from service

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2030

Project Manager: 6284 - Larry Lammers

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5353 - SUBSTATION EQUIPMENT (Transmission)	30,000	100,000	100,000	100,000	100,000	430,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	30,000	100,000	100,000	100,000	100,000	430,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	30,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	30,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	30,000	100,000	100,000	100,000	100,000	430,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	30,000	100,000	100,000	100,000	100,000	430,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: Electric Sys VAR Control Expan

Request #: 5
Project #: 510
Priority #: 21
Project Type: BLKT

Description of Project: Install Capacitor Banks on distribution system for VAR Control

Location: Service Territory

Justification: These capacitors are essential to maintain the system power factor within the industry standards and as defined in the Interlocal Agreement with FPL and FMPA to meet the wholesale power factor requirements.

Alternatives: Do not Install the capacitor banks and risk penalties for failing to meet the agreed upon limits.

Describe any site preparation or removal of existing assets: N/A

Impact to operating income: None

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6284 - Larry Lammers

Purchase Required By: FPL

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5355 - POLES & FIXTURES (Transmission)	2,000	2,060	2,122	2,185	2,251	10,618
5356 - OVERHEAD LINES & DEVICES (Trans)	2,000	2,060	2,122	2,185	2,251	10,618
5361 - STRUCTURES & IMPROVEMENTS (Dist)	2,000	2,060	2,122	2,185	2,251	10,618
5362 - STATION EQUIPMENT (Distribution)	1,000	1,030	1,061	1,093	1,126	5,310
5365 - OVERHEAD LINES & DEVICES (Distribution)	1,000	1,030	1,061	1,093	1,126	5,310
5366 - UNDERGROUND CONDUIT (Distribution)	1,000	1,030	1,061	1,093	1,126	5,310
5367 - UNDERGROUND LINES & DEVICES (Dist)	1,000	1,030	1,061	1,093	1,126	5,310
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	10,300	10,610	10,927	11,257	53,094

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	6,500
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	6,500

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	10,000	10,300	10,610	10,927	11,257	53,094
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	10,000	10,300	10,610	10,927	11,257	53,094

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: Governmental & Other Required

Request #: 6
Project #: 512
Priority #: 20
Project Type: BLKT

Description of Project: Renewal, replacement, relocation, new capacity improvement associated with roadway projects. Includes FDOT, City and County Roadways

Location: Service Territory

Justification: Relocation or adjustments are required to facilitate the construction per the roadway design.

Alternatives: None, these relocations are forced on FPUA by civic authorities that have jurisdiction over the right of way.

Describe any site preparation or removal of existing assets: N/A

Impact to operating income: None

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6127 - Javier Cisneros

Purchase Required By: City of Fort Pierce

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5360 - LAND & EASEMENTS (Distribution)	6,000	10,200	10,404	10,612	10,824	48,040
5364 - POLES, TOWERS & FIXTURES (Distribution)	42,300	76,500	78,030	79,590	81,182	357,602
5365 - OVERHEAD LINES & DEVICES (Distribution)	42,300	76,500	78,030	79,590	81,182	357,602
5366 - UNDERGROUND CONDUIT (Distribution)	42,300	76,500	78,030	79,590	81,182	357,602
5367 - UNDERGROUND LINES & DEVICES (Dist)	42,300	76,500	78,030	79,590	81,182	357,602
5368 - TRANSFORMERS (Distribution)	42,300	76,500	78,030	79,590	81,182	357,602
5369 - SERVICE LINES (Distribution)	28,000	51,000	52,020	53,060	54,121	238,201
5372 - RENTAL LIGHTS (Distribution)	8,500	15,300	15,606	15,918	16,236	71,560
5373 - FPUA STREET LIGHTS (COUNTY & SLV) (Dist)	3,000	5,100	5,202	5,306	5,412	24,020
5375 - FIBER OPTIC CABLE (Distribution)	3,000	5,100	5,202	5,306	5,412	24,020
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	260,000	469,200	478,584	488,152	497,915	2,193,851

Actual Amount Spent 10/1/16- 3/31/17	9,670

Inception through 9/30/16	-
Estimated Cost for FY 2017	85,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	85,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	150,000	153,000	156,060	159,181	162,365	780,606
Contribution-in-Aid	110,000	316,200	322,524	328,971	335,550	1,413,245
Capital Improvement Charges	-	-	-	-	-	-
Total	260,000	469,200	478,584	488,152	497,915	2,193,851

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: New Construction-Residential

Request #: 7
Project #: 516
Priority #: 6
Project Type: BLKT

Description of Project: Overhead and underground work required for all new residential revenue projects.

Location: Service Territory

Justification: To cover cost of all new residential-related activities.

Alternatives: None, the PSC requires FPUA to provide electric service to customers in the service territory.

Describe any site preparation or removal of existing assets: N/A

Impact to operating income: A minimum of twenty five percent of the revenue funded cost will be added to net revenue in retail sales.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6284 - Larry Lammers

Purchase Required By: PSC

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5364 - POLES, TOWERS & FIXTURES (Distribution)	10,000	10,200	10,404	10,612	10,824	52,040
5365 - OVERHEAD LINES & DEVICES (Distribution)	10,000	10,200	10,404	10,612	10,824	52,040
5366 - UNDERGROUND CONDUIT (Distribution)	18,000	18,360	18,727	19,101	19,483	93,671
5367 - UNDERGROUND LINES & DEVICES (Dist)	15,000	15,300	15,606	15,918	16,236	78,060
5368 - TRANSFORMERS (Distribution)	15,000	15,300	15,606	15,918	16,236	78,060
5369 - SERVICE LINES (Distribution)	5,000	5,100	5,202	5,306	5,412	26,020
5370 - METERS (Distribution)	2,500	2,550	2,601	2,653	2,706	13,010
5372 - RENTAL LIGHTS (Distribution)	1,000	1,020	1,040	1,061	1,082	5,203
5373 - FPUA STREET LIGHTS (COUNTY & SLV) (Dist)	1,000	1,020	1,040	1,061	1,082	5,203
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	77,500	79,050	80,630	82,242	83,885	403,307

Actual Amount Spent 10/1/16- 3/31/17	15,885

Inception through 9/30/16	-
Estimated Cost for FY 2017	50,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	50,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	77,500	79,050	80,630	82,242	83,885	403,307
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	77,500	79,050	80,630	82,242	83,885	403,307

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: Replacement of OH & UG Lines

Request #: 8
Project #: 517
Priority #: 7
Project Type: BLKT

Description of Project: Replacement of overhead and underground lines that have met the end of their useful life.

Location: Service Territory

Justification: These lines have reached the end of their useful life. Most of these lines consist of old copper wire and repairs are difficult due to the brittleness of the wire. This includes rebuilding inaccessible pole lines in several older neighborhoods.

Alternatives: Continue to maintain the system reactively. This is not recommended because it results in a higher occurrence of unscheduled outages.

Describe any site preparation or removal of existing assets: N/A

Impact to operating income: None

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6284 - Larry Lammers

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5364 - POLES, TOWERS & FIXTURES (Distribution)	7,000	7,210	7,426	7,649	7,879	37,164
5365 - OVERHEAD LINES & DEVICES (Distribution)	7,000	7,210	7,426	7,649	7,879	37,164
5366 - UNDERGROUND CONDUIT (Distribution)	5,000	5,150	5,305	5,464	5,628	26,547
5367 - UNDERGROUND LINES & DEVICES (Dist)	5,000	5,150	5,305	5,464	5,628	26,547
5368 - TRANSFORMERS (Distribution)	6,000	6,180	6,365	6,556	6,753	31,854
5369 - SERVICE LINES (Distribution)	4,000	4,120	4,244	4,371	4,502	21,237
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	34,000	35,020	36,071	37,153	38,269	180,513

Actual Amount Spent 10/1/16- 3/31/17	18,632

Inception through 9/30/16	-
Estimated Cost for FY 2017	50,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	50,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	34,000	35,020	36,071	37,153	38,269	180,513
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	34,000	35,020	36,071	37,153	38,269	180,513

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: New Construction-Commercial

Request #: 9
Project #: 518
Priority #: 5
Project Type: BLKT

Description of Project: Overhead and underground work required for all new commercial revenue projects.

Location: Service Territory

Justification: To cover cost of all new commercial-related activities.

Alternatives: None, the PSC requires FPUA to provide electric service to customers in the service territory.

Describe any site preparation or removal of existing assets: N/A

Impact to operating income: A minimum of twenty five percent of the revenue funded cost will be added to net revenue in retail sales.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6284 - Larry Lammers

Purchase Required By: PSC

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5360 - LAND & EASEMENTS (Distribution)	34,500	20,600	21,218	21,855	22,510	120,683
5364 - POLES, TOWERS & FIXTURES (Distribution)	38,000	22,660	23,340	24,040	24,761	132,801
5365 - OVERHEAD LINES & DEVICES (Distribution)	121,000	72,100	74,263	76,491	78,786	422,640
5366 - UNDERGROUND CONDUIT (Distribution)	57,000	33,990	35,010	36,060	37,142	199,202
5367 - UNDERGROUND LINES & DEVICES (Dist)	65,600	39,140	40,314	41,524	42,769	229,347
5368 - TRANSFORMERS (Distribution)	86,300	51,500	53,045	54,636	56,275	301,756
5369 - SERVICE LINES (Distribution)	43,200	25,750	26,523	27,318	28,138	150,929
5370 - METERS (Distribution)	29,400	17,510	18,035	18,576	19,134	102,655
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	475,000	283,250	291,748	300,500	309,515	1,660,013

Actual Amount Spent 10/1/16- 3/31/17	87,668

Inception through 9/30/16	-
Estimated Cost for FY 2017	180,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	180,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	275,000	283,250	291,748	300,500	309,515	1,460,013
Contribution-in-Aid	200,000	-	-	-	-	200,000
Capital Improvement Charges	-	-	-	-	-	-
Total	475,000	283,250	291,748	300,500	309,515	1,660,013

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: New Construction-Rental Lights

Request #: 10
Project #: 519
Priority #: 17
Project Type: BLKT

Description of Project: Overhead and underground work required to all rental lights revenue projects.

Location: Service Territory

Justification: To cover the cost of all rental light revenue-related activities.

Alternatives: Do not fund and discontinue rental lights to FPUA customers. This is NOT recommended because this is a profitable source of income for FPUA.

Describe any site preparation or removal of existing assets: N/A

Impact to operating income: None

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6395 - Sal Scimeca

Purchase Required By: Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5364 - POLES, TOWERS & FIXTURES (Distribution)	7,000	7,210	7,426	7,649	7,879	37,164
5365 - OVERHEAD LINES & DEVICES (Distribution)	7,000	7,210	7,426	7,649	7,879	37,164
5366 - UNDERGROUND CONDUIT (Distribution)	8,000	8,240	8,487	8,742	9,004	42,473
5367 - UNDERGROUND LINES & DEVICES (Dist)	8,000	8,240	8,487	8,742	9,004	42,473
5368 - TRANSFORMERS (Distribution)	8,000	8,240	8,487	8,742	9,004	42,473
5369 - SERVICE LINES (Distribution)	7,000	7,210	7,426	7,649	7,879	37,164
5372 - RENTAL LIGHTS (Distribution)	5,000	5,150	5,305	5,464	5,628	26,547
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	50,000	51,500	53,044	54,637	56,277	265,458

Actual Amount Spent 10/1/16- 3/31/17	24,060

Inception through 9/30/16	-
Estimated Cost for FY 2017	50,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	50,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	50,000	51,500	53,044	54,637	56,277	265,458
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	50,000	51,500	53,044	54,637	56,277	265,458

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: Overhead/Underground Serv Conv

Request #: 11
Project #: 520
Priority #: 8
Project Type: BLKT

Description of Project: Conversion of existing residential overhead services to underground at the customer's request. FPUA contributes 25% of cost per resolution

Location: Service Territory

Justification: Improves reliability of existing customers.

Alternatives: Do not fund and accept higher probability of service outages during and after storms.

Describe any site preparation or removal of existing assets: Removal of overhead service lines.

Impact to operating income: None

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6395 - Sal Scimeca

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5360 - LAND & EASEMENTS (Distribution)	10,000	10,300	10,609	10,927	11,255	53,091
5364 - POLES, TOWERS & FIXTURES (Distribution)	10,000	10,300	10,609	10,927	11,255	53,091
5365 - OVERHEAD LINES & DEVICES (Distribution)	10,000	10,300	10,609	10,927	11,255	53,091
5366 - UNDERGROUND CONDUIT (Distribution)	20,000	20,600	21,218	21,854	22,510	106,182
5367 - UNDERGROUND LINES & DEVICES (Dist)	11,000	11,330	11,670	12,020	12,381	58,401
5368 - TRANSFORMERS (Distribution)	7,500	7,725	7,957	8,195	8,441	39,818
5369 - SERVICE LINES (Distribution)	7,500	7,725	7,957	8,195	8,441	39,818
5370 - METERS (Distribution)	7,500	7,725	7,957	8,195	8,441	39,818
5372 - RENTAL LIGHTS (Distribution)	4,500	4,635	4,774	4,917	5,065	23,891
5373 - FPUA STREET LIGHTS (COUNTY & SLV) (Dist)	4,500	4,635	4,774	4,917	5,065	23,891
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	92,500	95,275	98,134	101,074	104,109	491,092

Actual Amount Spent 10/1/16- 3/31/17	29,779

Inception through 9/30/16	-
Estimated Cost for FY 2017	72,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	72,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	82,500	84,975	87,525	90,147	92,854	438,001
Contribution-in-Aid	10,000	10,300	10,609	10,927	11,255	53,091
Capital Improvement Charges	-	-	-	-	-	-
Total	92,500	95,275	98,134	101,074	104,109	491,092

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: Electric Regulatory Compliance

Request #: 12
Project #: 521
Priority #: 18
Project Type: BLKT

Description of Project: Documenting and upgrading the electrical protection system to meet North American Electric Reliability Corporation (NERC) standards and other regulatory agencies requirements

Location: All Substations

Justification: Comply with regulatory standards

Alternatives: Do not fund. This is not advised because it is required to meet the regulatory compliance requirements.

Describe any site preparation or removal of existing assets: Documenation and installation of electrical protection control devices that comply with standards.

Impact to operating income: None

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6127 - Javier Cisneros

Purchase Required By: NERC

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5353 - SUBSTATION EQUIPMENT (Transmission)	20,000	20,000	20,000	20,000	20,000	100,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	20,000	20,000	20,000	20,000	20,000	100,000

Actual Amount Spent 10/1/16- 3/31/17	11,034

Inception through 9/30/16	9,751
Estimated Cost for FY 2017	20,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	29,751

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	20,000	20,000	20,000	20,000	20,000	100,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	20,000	20,000	20,000	20,000	20,000	100,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: Kings Hwy- Okee Rd to Angle Rd

Request #: 13
Project #: 526
Priority #: 10
Project Type: STD

Description of Project: Reconstruction of Kings Hwy - Relocate poles and overhead lines to back of ROW

Location: Kings Hwy from Okeechobee Rd to Angle Rd

Justification: FDOT Roadway Improvement Project

Alternatives: None, these relocations are forced on FPUA by FDOT, which has jurisdiction over the right of way.

Describe any site preparation or removal of existing assets: Remove existing poles, lines, and other equipment.

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2019

Project Manager: 6238 - Jason Mittler

Purchase Required By: FDOT

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5360 - LAND & EASEMENTS (Distribution)	250	250		-	-	500
5364 - POLES, TOWERS & FIXTURES (Distribution)	8,000	4,000		-	-	12,000
5365 - OVERHEAD LINES & DEVICES (Distribution)	7,000	2,750		-	-	9,750
5366 - UNDERGROUND CONDUIT (Distribution)	1,000	500		-	-	1,500
5367 - UNDERGROUND LINES & DEVICES (Dist)	1,000	500		-	-	1,500
5368 - TRANSFORMERS (Distribution)	1,000	500		-	-	1,500
5370 - METERS (Distribution)	1,000	500		-	-	1,500
5372 - RENTAL LIGHTS (Distribution)	1,000	500		-	-	1,500
5373 - FPUA STREET LIGHTS (COUNTY & SLV) (Dist)	1,000	500		-	-	1,500
				-	-	-
				-	-	-
				-	-	-
	-	-	-	-	-	-
Totals	21,250	10,000	-	-	-	31,250

Actual Amount Spent 10/1/16- 3/31/17	913

Inception through 9/30/16	-
Estimated Cost for FY 2017	9,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	9,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	21,250	10,000		-	-	31,250
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	21,250	10,000	-	-	-	31,250

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: Substation Regulators

Request #: 14
Project #: 534
Priority #: 1
Project Type: STD

Description of Project: Replacement of 54 voltage regulator in all electrical substation. This is a multi-year project.

Location: Service Territory

Justification: The 54 existing voltage regulators are over 30 years old and have reached the end of useful life. The total project cost is estimated at $1,500,000 for labor and materials

Alternatives: Continue to operate these units. This is not recommend because it will likely result in unschedueld extended outages affecting a large number of customers.

Describe any site preparation or removal of existing assets: The old regulators will be removed from service.

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2023

Project Manager: 6284 - Larry Lammers

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5362 - STATION EQUIPMENT (Distribution)	280,000	280,000	280,000	280,000	280,000	1,400,000
	-					-
	-	-		-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	280,000	280,000	280,000	280,000	280,000	1,400,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	35,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	35,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	280,000	280,000	280,000	280,000	280,000	1,400,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	280,000	280,000	280,000	280,000	280,000	1,400,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: 17th St - Orange Ave to Ave D

Request #: 15
Project #: 535
Priority #: 14
Project Type: STD

Description of Project: Relocation of existing power poles to accommodate roadway and drainage improvements.

Location: 17th Street - Orange Ave to Ave D

Justification: City Roadway Improvement project

Alternatives: Adjust existing pole line to facilitate construction.

Describe any site preparation or removal of existing assets: Remove existing poles and lines.

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2019

Project Manager: 5982 - Paul Laguerre

Purchase Required By: City of Fort Pierce

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5360 - LAND & EASEMENTS (Distribution)	250	250	-	-	-	500
5364 - POLES, TOWERS & FIXTURES (Distribution)	2,000	2,000	-	-	-	4,000
5365 - OVERHEAD LINES & DEVICES (Distribution)	2,000	2,000	-	-	-	4,000
5366 - UNDERGROUND CONDUIT (Distribution)	1,000	1,000	-	-	-	2,000
5367 - UNDERGROUND LINES & DEVICES (Dist)	1,000	1,000	-	-	-	2,000
5368 - TRANSFORMERS (Distribution)	1,000	1,000	-	-	-	2,000
5369 - SERVICE LINES (Distribution)	1,750	1,750	-	-	-	3,500
5372 - RENTAL LIGHTS (Distribution)	500	500	-	-	-	1,000
5373 - FPUA STREET LIGHTS (COUNTY & SLV) (Dist)	500	500	-	-	-	1,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	10,000	-	-	-	20,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	5,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	5,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	10,000	10,000	-	-	-	20,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	10,000	10,000	-	-	-	20,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: US Hwy 1 - Midway to Edwards

Request #: 16
Project #: 558
Priority #: 11
Project Type: STD

Description of Project: Rebuild overhead distribution line on US Hwy 1 to accommodate roadway construction

Location: US Hwy 1 - Midway Rd to Edwards Rd

Justification: FDOT Roadway Improvement Project

Alternatives: None, these relocations are forced on FPUA by FDOT, which has jurisdiction over the right of way.

Describe any site preparation or removal of existing assets: Remove existing poles, lines, and other equipment.

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2018

Project Manager: 6238 - Jason Mittler

Purchase Required By: FDOT

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5360 - LAND & EASEMENTS (Distribution)	500	-	-	-	-	500
5364 - POLES, TOWERS & FIXTURES (Distribution)	25,500	-	-	-	-	25,500
5365 - OVERHEAD LINES & DEVICES (Distribution)	25,500	-	-	-	-	25,500
5366 - UNDERGROUND CONDUIT (Distribution)	4,000	-	-	-	-	4,000
5367 - UNDERGROUND LINES & DEVICES (Dist)	4,000	-	-	-	-	4,000
5368 - TRANSFORMERS (Distribution)	4,000	-	-	-	-	4,000
5370 - METERS (Distribution)	2,500	-	-	-	-	2,500
5372 - RENTAL LIGHTS (Distribution)	2,000	-	-	-	-	2,000
5373 - FPUA STREET LIGHTS (COUNTY & SLV) (Dist)	5,000	-	-	-	-	5,000
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	-	-	-	-	-	-
Totals	73,000	-	-	-	-	73,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	4,233
Estimated Cost for FY 2017	110,000
Est. FY 2017 Budget Carryover	50,000
Estimated Total Through 9/30/17	164,233

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	73,000	-	-	-	-	73,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	73,000	-	-	-	-	73,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: Totten/Hartman Improvements

Request #: 17
Project #: 559
Priority #: 9
Project Type: STD

Description of Project: Engineering design for ring bus at Hartman/Totten Substation. Includes design for transformer specifications, associated electronic control settings, cost for materials and construction.

Location: Totten and Hartman Substation

Justification: Totten Substation is connected directly to Hartman Sub and the transmission lines to the Lawnwood and Savannah. The inability to isolate Totten Substation will result in outage for Totten and potential extended outage at Hartman.

Alternatives: Do not fund and continue to operate without ring bus.

Describe any site preparation or removal of existing assets: None

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2019

Project Manager: 6127 - Javier Cisneros

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5352 - STRUCTURES & IMPROVEMENTS (Trans)	10,000	5,000	-	-	-	15,000
5353 - SUBSTATION EQUIPMENT (Transmission)	30,000	5,000	-	-	-	35,000
5355 - POLES & FIXTURES (Transmission)	10,000	5,000	-	-	-	15,000
5356 - OVERHEAD LINES & DEVICES (Trans)	10,000	5,000	-	-	-	15,000
5357 - UNDERGROUND CONDUIT (Transmission)	10,000	5,000	-	-	-	15,000
5358 - UNDERGROUND LINES & DEVICES (Trans)	10,000	5,000	-	-	-	15,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	80,000	30,000	-	-	-	110,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	926
Estimated Cost for FY 2017	20,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	20,926

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	80,000	30,000	-	-	-	110,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	80,000	30,000	-	-	-	110,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: 13th St - Virginia to Ave Q

Request #: 18
Project #: 580
Priority #: 12
Project Type: STD

Description of Project: Reconstruction of 13th Street - Major conversion from overhead to underground services. This is the first year of a multi-year project.

Location: 13th Street from Virginia Ave to Ave Q

Justification: City of Fort Pierce Roadway Improvement Project.

Alternatives: Adjust existing line to facilitate construction.

Describe any site preparation or removal of existing assets: Remove existing poles and lines.

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2020

Project Manager: 5982 - Paul Laguerre

Purchase Required By: City of Fort Pierce

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5360 - LAND & EASEMENTS (Distribution)	500	500	500	-	-	1,500
5364 - POLES, TOWERS & FIXTURES (Distribution)	2,000	1,000	1,000	-	-	4,000
5365 - OVERHEAD LINES & DEVICES (Distribution)	2,000	1,000	1,000	-	-	4,000
5366 - UNDERGROUND CONDUIT (Distribution)	2,000	1,000	1,000	-	-	4,000
5367 - UNDERGROUND LINES & DEVICES (Dist)	1,000	1,000	1,000	-	-	3,000
5368 - TRANSFORMERS (Distribution)	1,000	1,000	1,000	-	-	3,000
5369 - SERVICE LINES (Distribution)	500	500	500	-	-	1,500
5370 - METERS (Distribution)	500	500	500	-	-	1,500
5372 - RENTAL LIGHTS (Distribution)	500	500	500	-	-	1,500
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	7,000	7,000	-	-	24,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	500
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	500

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	10,000	7,000	7,000	-	-	24,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	10,000	7,000	7,000	-	-	24,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: Paradise Park Overhead Rebuild

Request #: 19
Project #: 591
Priority #: 13
Project Type: STD

Description of Project: Rebuild overhead distribution line south of Juanita Ave as part of drainage improvements.

Location: South of Juanita Ave between 25th St and US 1 Hwy.

Justification: St. Lucie County Drainage Improvement project.

Alternatives: Adjust existing line to facilitate construction.

Describe any site preparation or removal of existing assets: Remove existing poles and lines.

Impact to operating income: None

Anticipated start date: 10/1/2014

Anticipated completion date: 9/30/2018

Project Manager: 5982 - Paul Laguerre

Purchase Required By: St. Lucie County

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5360 - LAND & EASEMENTS (Distribution)	1,000	-	-	-	-	1,000
5364 - POLES, TOWERS & FIXTURES (Distribution)	15,000	-	-	-	-	15,000
5365 - OVERHEAD LINES & DEVICES (Distribution)	15,000	-	-	-	-	15,000
5366 - UNDERGROUND CONDUIT (Distribution)	5,000	-	-	-	-	5,000
5367 - UNDERGROUND LINES & DEVICES (Dist)	5,000	-	-	-	-	5,000
5368 - TRANSFORMERS (Distribution)	15,000	-	-	-	-	15,000
5369 - SERVICE LINES (Distribution)	5,000	-	-	-	-	5,000
5372 - RENTAL LIGHTS (Distribution)	1,000	-	-	-	-	1,000
5373 - FPUA STREET LIGHTS (COUNTY & SLV) (Dist)	1,000	-	-	-	-	1,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	63,000	-	-	-	-	63,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	50,000
Est. FY 2017 Budget Carryover	25,000
Estimated Total Through 9/30/17	75,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	63,000	-	-	-	-	63,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	63,000	-	-	-	-	63,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: North Bridge Reconstruction

Request #: 20
Project #: 592
Priority #: 16
Project Type: STD

Description of Project: Reconstruction of North Bridge - The major bridge reconstruction that may affect electric infrastrucuture. This is the first year of a multi-year project.

Location: US 1 Hwy and North Causeway Bridge

Justification: FDOT Roadway/Bridge Improvement Project

Alternatives: None, these relocations are forced on FPUA by FDOT, which has jurisdiction over the right of way.

Describe any site preparation or removal of existing assets: Remove existing poles, lines, and other equipment.

Impact to operating income: None

Anticipated start date: 10/1/2017

Anticipated completion date: 9/30/2020

Project Manager: 6238 - Jason Mittler

Purchase Required By: FDOT

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5360 - LAND & EASEMENTS (Distribution)	500	500	500	-	-	1,500
5364 - POLES, TOWERS & FIXTURES (Distribution)	2,500	1,000	1,000	-	-	4,500
5365 - OVERHEAD LINES & DEVICES (Distribution)	2,500	1,000	1,000	-	-	4,500
5366 - UNDERGROUND CONDUIT (Distribution)	1,000	1,000	1,000	-	-	3,000
5367 - UNDERGROUND LINES & DEVICES (Dist)	1,000	1,000	1,000	-	-	3,000
5368 - TRANSFORMERS (Distribution)	1,000	1,000	1,000	-	-	3,000
5369 - SERVICE LINES (Distribution)	500	500	500	-	-	1,500
5372 - RENTAL LIGHTS (Distribution)	1,000	1,000	1,000	-	-	3,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	7,000	7,000	-	-	24,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	10,000	7,000	7,000	-	-	24,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	10,000	7,000	7,000	-	-	24,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: Substation Transformer Replace

Request #: 21
Project #: 594
Priority #: 2
Project Type: STD

Description of Project: Replacement of substation transformers. This schedule includes the purchase of a transformer with the installation in the following year. This is a multi-year project

Location: Service Territory

Justification: The 6 existing substation transformers are over 35 years old and have reached the end of useful life. The total project cost is estimated at $3,150,000 for labor and materials

Alternatives: Continue to operate these units. This is not recommendrd because it will likely result in unschedueld extended outage affecting a large number of customers.

Describe any site preparation or removal of existing assets: The existing tranformers will be removed from service

Impact to operating income: None

Anticipated start date: 10/1/2017

Anticipated completion date: 9/30/2028

Project Manager: 6127 - Javier Cisneros

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5353 - SUBSTATION EQUIPMENT (Transmission)	50,000	50,000	400,000	400,000	400,000	1,300,000
5355 - POLES & FIXTURES (Transmission)	25,000	25,000	100,000	100,000	100,000	350,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	75,000	75,000	500,000	500,000	500,000	1,650,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	75,000	75,000	500,000	500,000	500,000	1,650,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	75,000	75,000	500,000	500,000	500,000	1,650,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Electric

Project Title: Harbor Branch Reliability Impr

Request #: 22
Project #: 595
Priority #: 15
Project Type: STD

Description of Project: Replacement of OH lines that have met the end of their useful life and improve the overall infrastructure for this campus.

Location: Old Dixie Hwy

Justification: Over the past few years, Harbor Branch has experienced reliaiblity issues related to current system configuration.

Alternatives: Do not replace. This is not recommended as Harbor Branch is a large commericial customer with highly sensitive equipment.

Describe any site preparation or removal of existing assets: Remove existing poles, lines, and other equipment.

Impact to operating income: None

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2019

Project Manager: 6284 - Larry Lammers **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
5364 - POLES, TOWERS & FIXTURES (Distribution)	10,000	10,000	-	-	-	20,000
5365 - OVERHEAD LINES & DEVICES (Distribution)	10,000	10,000	-	-	-	20,000
5366 - UNDERGROUND CONDUIT (Distribution)	10,000	10,000	-	-	-	20,000
5367 - UNDERGROUND LINES & DEVICES (Dist)	10,000	10,000	-	-	-	20,000
5368 - TRANSFORMERS (Distribution)	5,000	5,000	-	-	-	10,000
5369 - SERVICE LINES (Distribution)	5,000	5,000	-	-	-	10,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	50,000	50,000	-	-	-	100,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	50,000	50,000	-	-	-	100,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	50,000	50,000	-	-	-	100,000

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 62 - Water Resources

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
FA-1	Submersible Well Pumps	-	15,000	15,000	15,000	15,000	15,000	75,000
FA-2	Submersible Electric Motors	-	12,000	12,000	12,000	12,000	12,000	60,000
FA-3	Telemetry & Controls	-	25,000	25,000	25,000	25,000	25,000	125,000
FA-4	1/2 Ton 4x4 Pickup Truck	-	35,000	-	-	-	-	35,000
1	Raw Water Mains R&R	25,000	10,000	10,000	10,000	10,000	10,000	50,000
2	Lime CW Transfer Pumps	189,910	-	190,000	-	-	-	190,000
3	PLC Conversion	190,000	160,000	-	-	-	-	160,000
4	Bulk Chemical Containments	320,000	890,000	-	-	-	-	890,000
5	WTP Gravity Thickener	360,000	791,000	-	-	-	-	791,000
6	Unit #1 Lime Slaker	-	175,000	-	-	-	-	175,000
7	WTP Storm Hardening	60,000	60,000	-	-	-	-	60,000
8	Dryer Building Reutilization	-	100,000	-	-	-	-	100,000
9	Stripping Tower Xfer Pumps	-	-	160,000	165,000	170,000	-	495,000
10	Savannah Ground Storage Tank	-	-	140,000	-	-	-	140,000
11	High Service Pump #2	-	-	-	150,000	-	-	150,000
12	South Hutchinson Island GST	-	-	-	140,000	-	-	140,000
13	Dryer Building MCC	-	-	-	-	350,000	-	350,000
14	Lawnwood Well Field MCC	-	-	-	-	-	300,000	300,000
15	1.5 MG Ground Storage Tank	-	-	-	-	-	145,000	145,000
Total		1,144,910	2,273,000	552,000	517,000	582,000	507,000	4,431,000

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 62 - Water Resources

Request Number	Project Title or Asset Name	Priority Rating Area						Total Points	Dept. Head Rating
		I	II	III	IV	V	VI		
FA-1	Submersible Well Pumps	8	8	8	6	4	6	40	10
FA-2	Submersible Electric Motors	8	8	6	6	4	6	38	9
FA-3	Telemetry & Controls	10	6	6	6	2	6	36	8
FA-4	1/2 Ton 4x4 Pickup Truck	8	8	8	6	2	6	38	6
1	Raw Water Mains R&R	10	8	3	6	4	6	37	11
2	Lime CW Transfer Pumps							-	
3	PLC Conversion	8	6	8	6	2	6	36	3
4	Bulk Chemical Containments	10	10	3	4	2	6	35	2
5	WTP Gravity Thickener	10	8	6	6	4	6	40	1
6	Unit #1 Lime Slaker	8	8	8	6	2	6	38	4
7	WTP Storm Hardening	12	8	3	4	2	6	35	5
8	Dryer Building Reutilization	8	6	8	6	2	6	36	7
9	Stripping Tower Xfer Pumps							-	
10	Savannah Ground Storage Tank							-	
11	High Service Pump #2							-	
12	South Hutchinson Island GST							-	
13	Dryer Building MCC							-	
14	Lawnwood Well Field MCC							-	
15	1.5 MG Ground Storage Tank							-	

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	2,273,000	552,000	517,000	582,000	507,000	4,431,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	2,273,000	552,000	517,000	582,000	507,000	4,431,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
62 - Water Resources

Request #: FA - 1
Fixed Asset #: 632518001
Priority #: 10

Fixed Asset Name: Submersible Well Pumps

Fixed Asset Description: Submersible well pumps for pumping water from FPUA wellfields to Water Treatment Facility.

Justification for Purchase: Replace failed well pumps on an as-needed basis.

Alternatives: Try to meet water demand with reduced raw water capacity. Not recommended.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 15,000**	**$ 15,000**	**$ 15,000**	**$ 15,000**	**$ 15,000**	**$ 75,000**

Anticipated Purchase Date: 4/1/2018 **Project Manager:** 6259 - Keith Stephens

Purchase Required By: Reliability **Class ID:** **6325 - ELECTRIC PUMPING EQUIPMENT**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	2	$ 7,500	$ 15,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 15,000

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	2
Additions	-
Total	2

Proposed Funding Sources:	
Rates	$ 15,000
Other (describe)	-
Total	$ 15,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
62 - Water Resources

Request #: FA - 2
Fixed Asset #: 632518002
Priority #: 9

Fixed Asset Name: Submersible Electric Motors

Fixed Asset Description: Submersible electric motors to operate pumps in FPUA wellfields.

Justification for Purchase: Replace failed motors on an as-needed basis.

Alternatives: Try to meet water demand with reduced raw water capacity. Not recommended.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 60,000

Anticipated Purchase Date: 4/1/2018 **Project Manager:** 6259 - Keith Stephens

Purchase Required By: Reliability **Class ID:** 6325 - ELECTRIC PUMPING EQUIPMENT

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	2	$ 6,000	$ 12,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 12,000

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	2
Additions	-
Total	2

Proposed Funding Sources:	
Rates	$ 12,000
Other (describe)	-
Total	$ 12,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
62 - Water Resources

Request #: FA - 3
Fixed Asset #: 633218003
Priority #: 8

Fixed Asset Name: Telemetry & Controls

Fixed Asset Description: Equipment needed for SCADA system and security.

Justification for Purchase: Upgrade and replace faulty equipment on an as-needed basis.

Alternatives: Try to maintain older, outdated equipment, with little or no support. Not recommended.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 125,000**

Anticipated Purchase Date: 4/1/2018 **Project Manager:** 6259 - Keith Stephens

Purchase Required By: Reliability **Class ID:** **6332 - WATER TREATMENT EQUIPMENT**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	2	$ 12,500	$ 25,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 25,000

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	x
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	2
Additions	-
Total	2

Proposed Funding Sources:	
Rates	$ 25,000
Other (describe)	-
Total	$ 25,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
62 - Water Resources

Request #: FA - 4
Fixed Asset #: 639218004
Priority #: 6

Fixed Asset Name: 1/2 Ton 4x4 Pickup Truck

Fixed Asset Description: 1/2 Ton 4x4 Crew Cab Pickup Truck with tow package

Justification for Purchase: This is a new asset needed for the Maintenance Foreman and Senior Plant Operator to use. This vehicle will also be used to tow the portable generators to remote sites if needed.

Alternatives: Use existing service trucks, if available.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 35,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 35,000**

Anticipated Purchase Date: 12/1/2017 **Project Manager:** 6259 - Keith Stephens

Purchase Required By: Efficiency/Safety **Class ID:** **6392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 35,000	$ 35,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 35,000

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	
Reduce Personnel Time	
Expand Service	
Other	
New Operation	x
Improve Operations	x

Quantity	
Replacements	-
Additions	1
Total	1

Proposed Funding Sources:	
Rates	$ 35,000
Other (describe)	-
Total	$ 35,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: Raw Water Mains R&R

Request #: 1
Project #: 618
Priority #: 11
Project Type: BLKT

Description of Project: Replace deteriorated or failing raw water mains, laterals, and valves.

Location: Service Area

Justification: Needed due to the age and deteriorated condition of the existing pipe infrastructure, failure rates and the inability to supply the WTP with raw water that frequently occurs. All have a negative effect on the Water Treatment Plant's ability to provide reliable service to our customers.

Alternatives: Wait until the piping or valve fails and risk the ability of being able to provide raw water to the WTP. This is not a viable alternative. Not recommended.

Describe any site preparation or removal of existing assets: Remove damaged mains, laterals, and valves.

Impact to operating income: Possible increase in expense of 50% or greater, if done under emergency conditions and impact on the ability to provide adequate raw water capacity to WTP.

Anticipated start date: 10/1/2017 **Anticipated completion date:** On-going

Project Manager: 6259 - Keith Stephens **Purchase Required By:** R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6316 - SUPPLY MAINS (Source/Supply)	10,000	10,000	10,000	10,000	10,000	50,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	10,000	10,000	10,000	10,000	50,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	25,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	25,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	10,000	10,000	10,000	10,000	10,000	50,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	10,000	10,000	10,000	10,000	10,000	50,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: Lime CW Transfer Pumps

Request #: 2
Project #: 627
Priority #: 7
Project Type: STD

Description of Project: Replace Lime Clearwell Pumps, install variable speed drives (VFD), and upgrade motor to VFD rated.

Location: Water Treatment Plant

Justification: Due to the hours of run time on these pumps, the degradation of their pumping ability, and the savings of energy cost by converting to a VFD, it is time to replace these pumps, motors, and install VFD's.

Alternatives: Continue using the existing pumps in their degraded condition and risk total failure and the need to repair under emergency conditions. Not recommended.

Describe any site preparation or removal of existing assets: Removal of existing transfer pumps and motors.

Impact to operating income: Increased cost for an emergency repair and energy cost savings by converting to a VFD. Past VFD upgrades in the Water Resources Department have cumulatively saved approximately $100,000/yr in power cost.

Anticipated start date: 10/1/2013 **Anticipated completion date:** 9/30/2019

Project Manager: 6259 - Keith Stephens **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6325 - ELEC PUMPING EQUIP (Source/Supply)	-	190,000	-	-	-	190,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	190,000	-	-	-	190,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	189,910
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	189,910

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	190,000	-	-	-	190,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	-	190,000	-	-	-	190,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: PLC Conversion

Request #: 3
Project #: 629
Priority #: 0
Project Type: STD

Description of Project: Convert the existing Allen Bradley PLC (Programmable Logic Controller) system from PLC 5 version to Control Logix.

Location: Water Treatment Plant

Justification: The current PLC 5 system has become obsolete and hard to find support for. The cost to replace one processor can be $16,000. The new system will provide better reliability and enhanced tuning to the programs in an attempt to increase efficiency and reliability at the WTP.

Alternatives: Continue using the existing system and make repairs when possible. Not recommended.

Describe any site preparation or removal of existing assets: As Needed.

Impact to operating income: Would reduce the amount of expenses for replacing failed parts and increase the efficiency and reliability of the water treatment process.

Anticipated start date: 5/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6259 - Keith Stephens **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6332 - WATER TREATMENT EQUIP (Water Trtmt Plar	160,000	-	-	-	-	160,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	160,000	-	-	-	-	160,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	190,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	190,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	160,000	-	-	-	-	160,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	160,000	-	-	-	-	160,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: Bulk Chemical Containments

Request #: 4
Project #: 637
Priority #: 3
Project Type: STD

Description of Project: Replace existing bulk chemical tanks, refurbish existing chemical containment basins, build new containment basin for fluorosilicic acid tank, install new pumps for fluorosilicic acid, and install new injection point for fluorosilicic acid.

Location: Water Treatment Plant

Justification: The Sodium Hydroxide and Sulfuric Acid tanks are several years past their expected life and are showing signs of breaking down. The existing containment basins for these two chemicals have degraded enough to question their ability to provide containment. Moving the fluorosilicic acid tank would centralize the bulk chemicals and provide protection from chemical spills.

Alternatives: Continue operating the tanks until they fail or there is a spill. Not recommended.

Describe any site preparation or removal of existing assets: Remove equipment as required.

Impact to operating income: A bulk chemical tank and/or containment failure could limit the ability to provide treated water and an added cost to clean up the spill. The cost of a chemical spill cleanup could easily exceed $100,000.

Anticipated start date: 3/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6332 - WATER TREATMENT EQUIP (Water Trtmt Plan	890,000	-	-	-	-	890,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	890,000	-	-	-	-	890,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	320,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	320,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	890,000	-	-	-	-	890,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	890,000	-	-	-	-	890,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: WTP Gravity Thickener

Request #: 5
Project #: 674
Priority #: 2
Project Type: STD

Description of Project: Rehabilitation of the WTP gravity thickener system. To include: tank repair, replacement of existing gear box, extensive metal repair and replacement, and updating of control system.

Location: Water Treatment Plant

Justification: The gravity thickener is used to process the lime softening residuals. This is a needed system for the sludge removal from the plant.

Alternatives: Rent a temporary system to process the lime residuals. This would be a continous cost for a lesser removal process. Not recommended.

Describe any site preparation or removal of existing assets: To be determined as each phase of this project develops.

Impact to operating income: At present demand and costs, it could add an additional $500,000 per year to haul the lime residuals off-site without the thickener process and create a greater labor demand to the department.

Anticipated start date: 3/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6332 - WATER TREATMENT EQUIP (Water Trtmt Plan	791,000	-	-	-	-	791,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	791,000	-	-	-	-	791,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	360,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	360,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	791,000	-	-	-	-	791,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	791,000	-	-	-	-	791,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: Unit #1 Lime Slaker

Request #: 6
Project #: 677
Priority #: 1
Project Type: STD

Description of Project: Replace Lime Slaker and upgrade control system.

Location: Water Treatment Plant

Justification: Slaker has reached the end of its useful life and is needed in the lime softening process. We are currently only using it for "emergency use".

Alternatives: Continue depending on Unit #2 slaker and only using Unit #1 Slaker for "emergency use". Not recommended.

Describe any site preparation or removal of existing assets: As Needed.

Impact to operating income: Slaker is used to treat surficial raw well water that supplies drinking water to our customers, which generates water revenue for the utility.

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6259 - Keith Stephens **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6332 - WATER TREATMENT EQUIP (Water Trtmt Plar	175,000	-	-	-	-	175,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	175,000	-	-	-	-	175,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	175,000	-	-	-	-	175,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	175,000	-	-	-	-	175,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: WTP Storm Hardening

Request #: 7
Project #: 679
Priority #: 4
Project Type: STD

Description of Project: Project will replace windows and doors that are vulnerable to strong winds and rain.

Location: Water Treatment Plant

Justification: Existing windows and doors were installed over 50 years ago and do not meet hurricane standards. Equipment in building is needed to treat the raw water.

Alternatives: Leave existing doors and windows as they are.

Describe any site preparation or removal of existing assets: As needed.

Impact to operating income: Could impact ability to produce water for our customers if the building is compromised, due to the substandard doors and windows.

Anticipated start date: 7/1/2017

Anticipated completion date: 9/30/2018

Project Manager: 6259 - Keith Stephens

Purchase Required By: Storm Hardening

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6331 - STRUCT & IMPROV (Wtr Trtmt Plt)	60,000	-	-	-	-	60,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	60,000	-	-	-	-	60,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	60,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	60,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	60,000	-	-	-	-	60,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	60,000	-	-	-	-	60,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: Dryer Building Reutilization

Request #: 8
Project #: 680
Priority #: 5
Project Type: STD

Description of Project: Modify existing space by creating two new offices, bathroom, breakroom, training room, and personal workspaces for 10 employees.

Location: Water Treatment Plant

Justification: Currently have two supervisory employees that do not have adequate office space to perform their job duties. The current maintenance work area has three computers for the maintenance staff to share time on and they are having trouble completing required training, researching parts, and completing their required paperwork.

Alternatives: Continue using existing facilities.

Describe any site preparation or removal of existing assets: Removal of obsolete equipment in existing space.

Impact to operating income: Employees will have the ability to complete their work in a timely manner, freeing up more time for equipment repair and preventative maintenance.

Anticipated start date: 10/1/2017

Anticipated completion date: 9/30/2018

Project Manager: 6259 - Keith Stephens

Purchase Required By: Efficiency/Safety

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6331 - STRUCT & IMPROV (Wtr Trtmt Plt)	100,000	-	-	-	-	100,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	100,000	-	-	-	-	100,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	100,000	-	-	-	-	100,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	100,000	-	-	-	-	100,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: Stripping Tower Xfer Pumps

Request #: 9
Project #: 634
Priority #: 0
Project Type: STD

Description of Project: Replacement of pumps, motors, isolation valves, and check valves.

Location: Water Treatment Plant

Justification: Equipment has reached, or is reaching, its useful life. System is used to remove volatile organic compounds found in surficial raw water.

Alternatives: Bypass stripping towers in the water treatment process and stop using raw water wells that have tested positive for volatile organic compounds in the past. Not recommended.

Describe any site preparation or removal of existing assets: As Needed.

Impact to operating income: Equipment is necessary to provide safe drinking water to FPUA customers. Not using this process would also add an increased usage of chemical for an estimated additional cost of $10,000/yr.

Anticipated start date: 10/1/2018 **Anticipated completion date:** 9/30/2021

Project Manager: 6259 - Keith Stephens **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6325 - ELEC PUMPING EQUIP (Source/Supply)	-	160,000	165,000	170,000	-	495,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	160,000	165,000	170,000	-	495,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	160,000	165,000	170,000	-	495,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	-	160,000	165,000	170,000	-	495,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: Savannah Ground Storage Tank

Request #: 10
Project #:
Priority #: 0
Project Type: STD

Description of Project: Total rehabilitation of 1 million gallon ground storage tank at Savannah Repump Facility.

Location: Savannah Repump Facility

Justification: The tank was built in 1993 and is in need of rehabilitation. The 1 MG ground storage tank provides water storage for fire protection, stable water pressure, and customers with drinking water during water treatment equipment breakdowns.

Alternatives: None recommended

Describe any site preparation or removal of existing assets: As Needed.

Impact to operating income: This ground storage tank is needed to supply water storage for the distribution system, which generates water revenue for the utility.

Anticipated start date: 10/1/2018 **Anticipated completion date:** 9/30/2019

Project Manager: 6259 - Keith Stephens **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6342 - DISTRIBUTION REPUMPS (Water Dist)	-	140,000	-	-	-	140,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	140,000	-	-	-	140,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	140,000	-	-	-	140,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	-	140,000	-	-	-	140,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: High Service Pump #2

Request #: 11
Project #:
Priority #: 0
Project Type: STD

Description of Project: Replace High Service Pump #2, pump, motor, checkvalve and isolation valves.

Location: Water Treatment Plant

Justification: Due to the hours of run time on this pump and the degradation of its pumping ability, it is time to replace this pump, motor, checkvalve, and isolation valves.

Alternatives: Continue to use pump with it's degraded pumping ability until failure. Not recommended.

Describe any site preparation or removal of existing assets: Removal of pump, motor, checkvalve, and isolation valves.

Impact to operating income: This pump is needed to supply water pressure to the distribution system for generating water revenue for the utility.

Anticipated start date: 10/1/2019 **Anticipated completion date:** 9/30/2020

Project Manager: 6259 - Keith Stephens **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6325 - ELEC PUMPING EQUIP (Source/Supply)	-	-	150,000	-	-	150,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	-	150,000	-	-	150,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	150,000	-	-	150,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	-	-	150,000	-	-	150,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: South Hutchinson Island GST

Request #: 12
Project #:
Priority #: 0
Project Type: STD

Description of Project: Total rehabilitation of 1 million gallon ground storage tank at South Hutchinson Island Repump Facility.

Location: South Hutchinson Island Repump Facility

Justification: The tank was built in 1982 and is in need of rehabilitation based on the past two inspection reports. The 1 MG ground storage tank provides water storage for fire protection, stable water pressure, and customers with drinking water during water treatment equipment breakdowns.

Alternatives: None recommended

Describe any site preparation or removal of existing assets: As Needed.

Impact to operating income: This ground storage tank is needed to supply water storage for the distribution system, which generates water revenue for the utility.

Anticipated start date: 10/1/2019 **Anticipated completion date:** 9/30/2020

Project Manager: 6259 - Keith Stephens **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6342 - DISTRIBUTION REPUMPS (Water Dist)	-	-	140,000	-	-	140,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	-	140,000	-	-	140,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	140,000	-	-	140,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	-	-	140,000	-	-	140,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: Dryer Building MCC

Request #: 13
Project #:
Priority #: 0
Project Type: STD

Description of Project: Replace Motor Control Center (MCC)

Location: Water Treatment Plant

Justification: MCC has reached its useful life and requires replacement. Installed in 1964.

Alternatives: Continue using MCC until it fails. Not Recommended.

Describe any site preparation or removal of existing assets: As needed.

Impact to operating income: MCC powers equipment needed to produce finished water.

Anticipated start date: 10/1/2020 **Anticipated completion date:** 9/30/2021

Project Manager: 6259 - Keith Stephens **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6331 - STRUCT & IMPROV (Wtr Trtmt Plt)	-	-	-	350,000	-	350,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	-	-	350,000	-	350,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	350,000	-	350,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	-	-	-	350,000	-	350,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: Lawnwood Well Field MCC

Request #: 14
Project #:
Priority #: 0
Project Type: STD

Description of Project: Replace Motor Control Center (MCC) at generating station and remote location at Lawnwood well field.

Location: Lawnwood Generating Station

Justification: MCC has reached its useful life and requires replacement. Installed in 1980.

Alternatives: Continue using existing MCC until failure. Not recommended.

Describe any site preparation or removal of existing assets: As needed.

Impact to operating income: MCC provides power to the Lawnwood well field, which supplies raw water to the Water Treatment Plant.

Anticipated start date: 10/1/2021 **Anticipated completion date:** 9/30/2022

Project Manager: 6259 - Keith Stephens **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6311 - STRUCTURES & IMPROVEMENTS (Source/Sup	-	-	-	-	300,000	300,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	-	-	-	300,000	300,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	300,000	300,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	-	-	-	-	300,000	300,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
62 - Water Resources

Project Title: 1.5 MG Ground Storage Tank

Request #: 15
Project #:
Priority #: 0
Project Type: STD

Description of Project: Total rehabilitation of 1.5 million gallon ground storage tank at the Water Treatment Plant.

Location: Water Treatment Plant

Justification: The tank was built in 1983 and is in need of rehabilitation based on the past inspection reports. The 1.5 MG ground storage tank provides water storage for fire protection, stable water pressure, and customers with drinking water during water treatment equipment breakdowns.

Alternatives: None recommended.

Describe any site preparation or removal of existing assets: As Needed.

Impact to operating income: This ground storage tank is needed to supply water storage for the distribution system, which generates water revenue for the utility.

Anticipated start date: 10/1/2021 **Anticipated completion date:** 9/30/2022

Project Manager: 6259 - Keith Stephens **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6331 - STRUCT & IMPROV (Wtr Trtmt Plt)	-	-	-	-	145,000	145,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	-	-	-	145,000	145,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	145,000	145,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	-	-	-	-	145,000	145,000

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 64 - Water Distribution

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
FA-1	Linestop Trailer Upgrade	-	22,000	-	-	-	-	22,000
FA-2	1/2 Ton 4x4 Pickup Truck	-	34,000	-	-	-	-	34,000
FA-3	Ultra-Trac Pipe APL Locator	-	12,000	-	-	-	-	12,000
FA-4	Various FA for FY 2019-2022	-	-	262,000	255,000	260,000	292,000	1,069,000
1	Meter/Backflow Preventers	207,755	185,000	190,550	196,267	202,154	208,219	982,190
2	Fire Hydrant Replacements	96,570	60,000	61,800	63,654	65,564	67,531	318,549
3	Meter Change outs	410,111	210,000	216,300	222,790	229,472	236,357	1,114,919
4	Main/Serv/Valve Replacement	846,758	540,000	556,200	572,886	590,073	607,775	2,866,934
Total		1,561,194	1,063,000	1,286,850	1,310,597	1,347,263	1,411,882	6,419,592

Request Number	Project Title or Asset Name	Priority Rating Area							
		I	II	III	IV	V	VI	Total Points	Dept. Head Rating
FA-1	Linestop Trailer Upgrade	10	10	8	8	4	6	46	5
FA-2	1/2 Ton 4x4 Pickup Truck	8	10	8	6	4	6	42	6
FA-3	Ultra-Trac Pipe APL Locator	10	10	8	4	2	6	40	7
FA-4	Various FA for FY 2019-2022	12	8	6	4	2	6	38	
1	Meter/Backflow Preventers	8	8	8	6	4	6	40	1
2	Fire Hydrant Replacements	10	10	6	6	4	4	40	2
3	Meter Change outs	8	8	8	6	2	6	38	3
4	Main/Serv/Valve Replacement	10	8	6	4	4	6	38	4

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	878,000	1,096,300	1,114,330	1,145,109	1,203,663	5,437,402
Contribution-in-Aid	185,000	190,550	196,267	202,154	208,219	982,190
Capital Improvement Charges	-	-	-	-	-	-
Total	1,063,000	1,286,850	1,310,597	1,347,263	1,411,882	6,419,592

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
64 - Water Distribution

Request #: FA - 1
Fixed Asset #: 639818001
Priority #: 5

Fixed Asset Name: Linestop Trailer Upgrade

Fixed Asset Description: Replace two 8" gate valves and two 12" gate valves on the Linestop Trailer 62-522.

Justification for Purchase: The current linestop equipment is obsolete and must be replaced to be compatible with the new linestop saddles and wet tap saddles that are available. This equipment on the trailer is used repeatedly for each job. Linestops are used in situations to reduce the number of customers affected by repairs. The old style saddles are no longer available to use with our present equipment on this trailer.

Alternatives: Not replace this equipment used by the Construction Crew and use contractors for all jobs.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 22,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 22,000**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 5837 - Andrew Byrd

Purchase Required By: R&R **Class ID:** **6398 - MISCELLANEOUS EQUIPMENT**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	4	$ 5,500	$ 22,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 22,000

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	x
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	x

Quantity	
Replacements	22,000
Additions	-
Total	22,000

Proposed Funding Sources:	
Rates	$ 22,000
Other (describe)	-
Total	$ 22,000

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
64 - Water Distribution

Request #: FA - 2
Fixed Asset #: 639218002
Priority #: 6

Fixed Asset Name: 1/2 Ton 4x4 Pickup Truck

Fixed Asset Description: 1/2 Ton 4x4 4Dr Crew Cab Pickup Truck for Construction Foreman

Justification for Purchase: This Pickup Truck will be used by the Construction Foreman to supervise our Construction crew. This truck will replace a 2000 Chevy 1500 PU with 112500 miles. A crew cab style truck allows the Foreman to transport employees to job sites and training classes.

Alternatives: Continue to drive this Backup Locate Truck. Replacement of 15-529 was deferred for one year. An estimated $2,000 will be needed for repairs to the interior and exterior if not replaced.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 34,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 34,000**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 5837 - Andrew Byrd

Purchase Required By: R&R **Class ID:** **6392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 34,000	$ 34,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 34,000

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	x

Quantity	
Replacements	34,000
Additions	-
Total	34,000

Proposed Funding Sources:	
Rates	$ 34,000
Other (describe)	-
Total	$ 34,000

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition
15-529	2000 Chevy 1/2 ton Pickup Truck	112500	16	$2,900.00	Garage - Auction

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
64 - Water Distribution

Request #: FA - 3
Fixed Asset #: 639418003
Priority #: 7

Fixed Asset Name: Ultra-Trac Pipe APL Locator

Fixed Asset Description: Ultra-Trac Pipe Acoustic Pipe Locator (APL) is a hand held Ground Penetrating Radar (GPR)

Justification for Purchase: This unit is a small hand held device for locating small pipes and services (1/4" and larger). It is lightweight and only requires one person to carry/operate. It helps to locate PVC and other type lines without a tracer wire. By accurately locating FPUA facilities, it will save money on cut or damaged facilities that are not shown on the GIS system.

Alternatives: Continue using present locate tools that are not designed to locate nonmetal pipe that does not have a tracer wire or lines where the tracer wire is broken.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 12,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 12,000**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 5837 - Andrew Byrd

Purchase Required By: Efficiency/Safety **Class ID:** **6394 - TOOLS, SHOP & GARAGE EQUIP**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 12,000	$ 12,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 12,000

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	
Reduce Personnel Time	x
Expand Service	
Other	
New Operation	
Improve Operations	x

Quantity	
Replacements	-
Additions	12,000
Total	12,000

Proposed Funding Sources:	
Rates	$ 12,000
Other (describe)	-
Total	$ 12,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
64 - Water Distribution

Request #: FA - 4
Fixed Asset #:
Priority #: 0

Fixed Asset Name: Various FA for FY 2019-2022

Fixed Asset Description: Replace/add various trucks, trailers and equipment each year.

Justification for Purchase: Includes: (FY 19 - 4 replacement vehicles, 1 equip) (FY20 - 4 replacement vehicle, 2 equip) (FY21 - 4 replacement vehicles, 2 equip) (FY22 - 7 replacement vehicles)

Alternatives: Continue to drive and make repairs as needed which is not considered practical.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:		$ 262,000	$ 255,000	$ 260,000	$ 292,000	$ 1,069,000

Anticipated Purchase Date: 10/1/2018 **Project Manager:** 5837 - Andrew Byrd

Purchase Required By: R&R **Class ID:** 6392 - VEHICLES

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price			$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	x
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	-
Additions	1
Total	1

Proposed Funding Sources:	
Rates	
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
64 - Water Distribution

Project Title: Meter/Backflow Preventers

Request #: 1
Project #: 603
Priority #: 1
Project Type: BLKT

Description of Project: Installation of water meters and backflow preventers to meet the demands of new customer growth.

Location: Service Area

Justification: Installation of water meters and backflow preventers at customer's request on an as needed basis. Customers pay for costs of these installations.

Alternatives: There are no practical alternatives. New installations are a direct result of customer growth.

Describe any site preparation or removal of existing assets: NONE

Impact to operating income: New water meters for new customers provides for an increase in revenue. Customers pay the expense to install these meters.

Anticipated start date: 10/1/2017

Anticipated completion date: On-Going

Project Manager: 5837 - Andrew Byrd

Purchase Required By: Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	120,000	123,600	127,308	131,127	135,061	637,096
6346 - METERS (Water Distribution)	65,000	66,950	68,959	71,027	73,158	345,094
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	185,000	190,550	196,267	202,154	208,219	982,190

Actual Amount Spent 10/1/16- 3/31/17	25,867

Inception through 9/30/16	102,755
Estimated Cost for FY 2017	105,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	207,755

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	185,000	190,550	196,267	202,154	208,219	982,190
Capital Improvement Charges	-	-	-	-	-	-
Total	185,000	190,550	196,267	202,154	208,219	982,190

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
64 - Water Distribution

Project Title: Fire Hydrant Replacements

Request #: 2
Project #: 606
Priority #: 2
Project Type: BLKT

Description of Project: Remove aged, deteriorated, or damaged fire hydrants utilizing Water Distribution's maintenance program.

Location: Service Area

Justification: Replace hydrants as necessary due to age, deterioration or damage that is considered beyond economic repair. WD plans to replace hydrants as necessary due to the aging condition found during maintenance program inspections. $10,000 was added to fund additional replacements.

Alternatives: No practical alternative, as fire hydrants are critical to the safety of the community.

Describe any site preparation or removal of existing assets: Some sites will require replacement of sidewalks after hydrant is replaced. All sites will require sod to be replaced as part of the landscape restoration.

Impact to operating income: These funds provide for replacement fire hydrants that are critical to the safety of our community. The new hydrants will require less maintenance expense.

Anticipated start date: 10/1/2017

Anticipated completion date: On-Going

Project Manager: 5837 - Andrew Byrd

Purchase Required By: SLC Fire District

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6348 - HYDRANTS (Water Distribution)	60,000	61,800	63,654	65,564	67,531	318,549
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	60,000	61,800	63,654	65,564	67,531	318,549

Actual Amount Spent 10/1/16- 3/31/17	22,265

Inception through 9/30/16	46,570
Estimated Cost for FY 2017	50,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	96,570

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	60,000	61,800	63,654	65,564	67,531	318,549
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	60,000	61,800	63,654	65,564	67,531	318,549

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
64 - Water Distribution

Project Title: Meter Change outs

Request #: 3
Project #: 612
Priority #: 3
Project Type: BLKT

Description of Project: Replacement of aged and deteriorated meters and backflows.

Location: Service Area

Justification: Installations/replacements of meters increase revenues, reduce maintenance costs and help decrease unaccounted for water. Installations/replacements of backflow preventers increases safety of our water supply to customers.

Alternatives: No practical alternatives.

Describe any site preparation or removal of existing assets: Remove/replace aged and deteriorated meters and backflow preventers.

Impact to operating income: The replacement of aging meters/backflows will increase revenues, reduce maintenance costs and reduce loss of revenue for unaccounted water.

Anticipated start date: 10/1/2017 **Anticipated completion date:** On-Going

Project Manager: 5837 - Andrew Byrd **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	65,000	66,950	68,959	71,027	73,158	345,094
6346 - METERS (Water Distribution)	145,000	149,350	153,831	158,445	163,199	769,825
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	210,000	216,300	222,790	229,472	236,357	1,114,919

Actual Amount Spent 10/1/16- 3/31/17	93,643

Inception through 9/30/16	205,111
Estimated Cost for FY 2017	205,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	410,111

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	210,000	216,300	222,790	229,472	236,357	1,114,919
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	210,000	216,300	222,790	229,472	236,357	1,114,919

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
64 - Water Distribution

Project Title: Main/Serv/Valve Replacement

Request #: 4
Project #: 615
Priority #: 4
Project Type: BLKT

Description of Project: Replace deteriorated or failing mains, services, and valves.

Location: Service Area

Justification: Improve quality and reliability of service to customers. Following a proactive plan will reduce overtime hours, unplanned service interruptions, water loss at breaks, and increase water system quality. This Project was decreased by $10,000 to fund increase in Hydrant Replacements (606).

Alternatives: No practical alternatives.

Describe any site preparation or removal of existing assets: Remove/replace deteriorated and damaged pipe and valves. Meter Boxes located in Sidewalks or Driveways are relocated when possible too. City now requires overlays on all patches in pavements where work is performed.

Impact to operating income: These expenses are used to increase water quality and reliability to customers and decrease unplanned overtime work or service interruptions.

Anticipated start date: 10/1/2017 **Anticipated completion date:** On-Going

Project Manager: 5837 - Andrew Byrd **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	130,000	133,900	137,917	142,055	146,316	690,188
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	410,000	422,300	434,969	448,018	461,459	2,176,746
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	540,000	556,200	572,886	590,073	607,775	2,866,934

Actual Amount Spent 10/1/16- 3/31/17	192,504

Inception through 9/30/16	321,758
Estimated Cost for FY 2017	525,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	846,758

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	540,000	556,200	572,886	590,073	607,775	2,866,934
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	540,000	556,200	572,886	590,073	607,775	2,866,934

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 66 - W/WW Engineering - Water

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
FA-1	1/2 Ton 4x4 Pickup Truck	-	16,000	17,000	-	-	-	33,000
1	Surficial Well Replacement	-	-	430,000	435,000	440,000	445,000	1,750,000
2	Fire Hydrant New Installations	15,544	12,000	12,360	12,730	13,111	13,504	63,705
3	New Construction-Mains	-	39,702	41,493	43,338	45,295	47,304	217,132
4	New Construction-Custmr Funded	-	50,000	50,000	50,000	50,000	50,000	250,000
5	Water Mains Misc. R&R	650	20,000	1,000,000	600,000	1,000,000	1,000,000	3,620,000
6	Governmental & Other Required	-	35,000	110,000	110,000	110,000	110,000	475,000
7	Water Main Looping	-	-	110,000	110,000	110,000	110,000	440,000
8	7th Street - 10th - Wendell	5,000	20,000	-	-	-	-	20,000
9	San Lucie WM Replacements	9,835	50,000	-	-	-	-	50,000
10	17th St - Orange Ave to Ave D	6,916	121,000	163,000	-	-	-	284,000
11	Ave M - 25th to 13th	15,000	704,000	-	-	-	-	704,000
12	Ohio - Oleander to S US 1	15,000	340,000	-	-	-	-	340,000
13	Avenue A - N 8th to N 7th	2,000	70,000	-	-	-	-	70,000
14	Sea Winds 12-in WM	15,771	175,000	-	-	-	-	175,000
15	US Hwy 1 - Midway to Edwards	177,000	53,000	-	-	-	-	53,000
16	Fra Mar MSBU	234,579	106,000	-	-	-	-	106,000
17	Selvitz Road Water Main	289,549	30,000	-	-	-	-	30,000
18	Wendell - 8th to Chipolla	15,000	405,000	-	-	-	-	405,000
19	Midway Road - US 1 to 25th St.	330,623	304,000	40,000	-	-	-	344,000
20	Midway Road- Elm Ave to 25th	478,696	536,000	40,000	-	-	-	576,000
21	Kings Hwy-Okee Rd to Orange Av	1,000	370,000	420,000	-	-	-	790,000
22	2nd Deep Injection Well/WTP	93,824	-	-	100,000	4,200,000	-	4,300,000
23	Well 3R Replacement	-	450,000	-	-	-	-	450,000
24	RO Upgrades/Electric Upgrades	218,640	-	-	315,000	-	-	315,000
25	Floridan Well Field Generator	-	-	50,000	500,000	-	-	550,000
26	Subaqueous Mains Stabilization	18,000	75,000	-	-	-	-	75,000
27	N 8th Street - Orange to Ave E	-	-	-	400,000	-	-	400,000
28	Ave E WM Repl-N 10th to N 7th	-	175,500	-	-	-	-	175,500
29	Avenue B WM Repl-N 8th-N 7th	-	67,500	-	-	-	-	67,500
30	Avenue I & Loop to J WM Repl.	-	169,000	-	-	-	-	169,000
31	N 10th St WM Repl-Ave E-Ave L	-	310,500	-	-	-	-	310,500
32	Savannah PS WM Addition	-	50,000	-	-	-	-	50,000
33	Fisherman's Wharf WM Rehab.	5,000	20,000	-	-	-	-	20,000
Total		1,947,627	4,774,202	2,483,853	2,676,068	5,968,406	1,775,808	17,678,337

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 66 - W/WW Engineering - Water

Request Number	Project Title or Asset Name	Priority Rating Area							
		I	II	III	IV	V	VI	Total Points	Dept. Head Rating
FA-1	1/2 Ton 4x4 Pickup Truck	8	8	6	2	4	6	34	14
1	Surficial Well Replacement							-	
2	Fire Hydrant New Installations	8	8	3	4	2	2	27	27
3	New Construction-Mains	8	6	6	4	2	2	28	26
4	New Construction-Custmr Funded	8	6	3	4	2	2	25	28
5	Water Mains Misc. R&R	12	8	8	8	6	2	44	2
6	Governmental & Other Required	8	8	3	4	4	2	29	25
7	Water Main Looping							-	
8	7th Street - 10th - Wendell	8	8	3	4	4	2	29	20
9	San Lucie WM Replacements	8	8	3	4	4	2	29	22
10	17th St - Orange Ave to Ave D	10	8	8	6	6	2	40	9
11	Ave M - 25th to 13th	10	8	8	6	4	4	40	10
12	Ohio - Oleander to S US 1	10	8	8	6	4	4	40	11
13	Sea Winds 12-in WM	8	8	6	6	2	4	34	15
14	Avenue A - N 8th to N 7th	10	8	8	6	6	2	40	4
15	US Hwy 1 - Midway to Edwards	8	8	3	4	4	2	29	21
16	Selvitz Road Water Main	8	6	6	6	2	4	32	18
17	Wendell - 8th to Chipolla	10	8	8	6	4	2	38	12
18	Midway Road - US 1 to 25th St.	8	6	3	4	4	4	29	24
19	Midway Road- Elm Ave to 25th	8	6	6	6	2	6	34	16
20	Kings Hwy-Okee Rd to Orange Av	8	6	6	6	2	4	32	17
21	2nd Deep Injection Well/WTP							-	
22	Well 3R Replacement	8	10	8	6	4	6	42	3
23	RO Upgrades/Electric Upgrades							-	
24	Floridan Well Field Generator							-	
25	Subaqueous Mains Stabilization	12	8	6	8	6	6	46	1
26	N 8th Street - Orange to Ave E							-	
27	Ave E WM Repl-N 10th to N 7th	10	8	8	6	6	2	40	5
28	Avenue B WM Repl-N 8th-N 7th	10	8	8	6	6	2	40	6
29	Avenue I & Loop to J WM Repl.	10	8	8	6	6	2	40	7
30	N 10th St WM Repl-Ave E-Ave L	10	8	8	6	6	2	40	8
31	Fra Mar MSBU	8	8	6	4	2	2	30	19
32	Savannah PS WM Addition	8	8	8	6	2	4	36	13
33	Fisherman's Wharf WM Rehab.	8	8	3	4	4	2	29	23

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 66 - W/WW Engineering - Water

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	1,824,000	1,601,500	1,392,750	1,396,000	1,399,250	7,613,500
Contribution-in-Aid	175,000	78,000	50,000	50,000	50,000	403,000
Capital Improvement Charges	1,326,202	804,353	1,233,318	4,522,406	326,558	8,212,837
State Revolving Fund Loan	1,449,000	-	-	-	-	1,449,000
Total	4,774,202	2,483,853	2,676,068	5,968,406	1,775,808	17,678,337

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
66 - W/WW Engineering - Water

Request #: FA - 1
Fixed Asset #: 639218003
Priority #: 14

Fixed Asset Name: 1/2 Ton 4x4 Pickup Truck

Fixed Asset Description: 1/2 Ton 4x4 Extended Cap Inspector Pickup Truck

Justification for Purchase: Replace 1/2 ton vehicle with high mileage, poor mechanical and physical condition. Plan to replace with a 4 wheel drive vehicle that is used daily for inspecting FPUA Engineering projects.The new vehicle will provide better reliability and is more efficient to operate than the older style trucks.

Alternatives: Continue to drive and make repairs as needed which is not considered practical.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 16,000**	**$ 17,000**	**$ -**	**$ -**	**$ -**	**$ 33,000**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 6490 - Valerie Schulte

Purchase Required By: Reliability **Class ID:** **6392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 16,000	$ 16,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 16,000

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	x
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	x

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ 16,000
Other (describe)	-
Total	$ 16,000

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition
15-552	15-552	91000	Poor	$500.00	Auction

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Surficial Well Replacement

Request #: 1
Project #: 602
Priority #: 0
Project Type: BLKT

Description of Project: Replacement of a Surficial Aquifer Well.

Location: To Be Determined based on condition assessment.

Justification: Reduce reliance on old failing wells and ensure a firm capacity of the surficial well fields.

Alternatives: Postpone replacing old wells and accept high maintenance costs and diminishing surficial well field capacity which limits ability to utilize the lime softening water plant requiring utilization of the RO water plant with higher cost to produce water.

Describe any site preparation or removal of existing assets: Removal of existing well equipment, abandonment of vault and miscellaneous land clearing for replacement well.

Impact to operating income: Decreased operating expenses by reducing maintenance and improved pumping efficiency. Estimated at 10% of each well's pumping cost.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6490 - Valerie Schulte

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6314 - WELLS & SPRINGS (Source/Supply)	-	430,000	435,000	440,000	445,000	1,750,000
	-		-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	430,000	435,000	440,000	445,000	1,750,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	279,500	282,750	286,000	289,250	1,137,500
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	150,500	152,250	154,000	155,750	612,500
State Revolving Fund Loan	-	-	-	-	-	-
Total	-	430,000	435,000	440,000	445,000	1,750,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Fire Hydrant New Installations

Request #: 2
Project #: 607
Priority #: 27
Project Type: BLKT

Description of Project: New fire hydrants to be designed in-house and installed by Unit Price Contractor.

Location: Service area in locations with inadequate fire hydrant coverage.

Justification: Hydrants are required within 500 feet of a residence.

Alternatives: Do nothing and accept less than adequate fire protection to areas served.

Describe any site preparation or removal of existing assets: None

Impact to operating income: Negligible increase by the additional fire hydrant assets to maintain.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6697 - Richard Mutterback

Purchase Required By: SLC Fire District

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6348 - HYDRANTS (Water Distribution)	12,000	12,360	12,730	13,111	13,504	63,705
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	12,000	12,360	12,730	13,111	13,504	63,705

Actual Amount Spent 10/1/16- 3/31/17	4,750

Inception through 9/30/16	4,544
Estimated Cost for FY 2017	11,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	15,544

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	12,000	12,360	12,730	13,111	13,504	63,705
State Revolving Fund Loan	-	-	-	-	-	-
Total	12,000	12,360	12,730	13,111	13,504	63,705

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: New Construction-Mains

Request #: 3
Project #: 610
Priority #: 26
Project Type: BLKT

Description of Project: FPUA contribution to construction of water mains to serve new developments.

Location: Service area

Justification: Provide capacity for future growth.

Alternatives: Do nothing and accept the limitation in future capacity of the water distribution system and inability to provide adequate service to new developments.

Describe any site preparation or removal of existing assets: Site clearing and excavation for installation of mains.

Impact to operating income: Increase in revenues due to the extension of water mains to new developments. Amount is indeterminate since it is based on developer work.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6490 - Valerie Schulte

Purchase Required By: Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	39,702	41,493	43,338	45,295	47,304	217,132
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	39,702	41,493	43,338	45,295	47,304	217,132

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	39,702	41,493	43,338	45,295	47,304	217,132
State Revolving Fund Loan	-	-	-	-	-	-
Total	39,702	41,493	43,338	45,295	47,304	217,132

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: New Construction-Custmr Funded

Request #: 4
Project #: 611
Priority #: 28
Project Type: BLKT

Description of Project: Customer contribution to construction of water mains to serve new developments.

Location: Service Area

Justification: Provide capacity for future growth.

Alternatives: Do nothing and accept the limitation in future capacity of the water distribution system and inability to provide adequate service to new developments.

Describe any site preparation or removal of existing assets: Site clearing and excavation for installation of mains.

Impact to operating income: Increase in revenues due to the extension of water mains to new developments. Amount is indeterminate since it is based on developer work.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6490 - Valerie Schulte

Purchase Required By: Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	50,000	50,000	50,000	50,000	50,000	250,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	50,000	50,000	50,000	50,000	50,000	250,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	50,000	50,000	50,000	50,000	50,000	250,000
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	50,000	50,000	50,000	50,000	50,000	250,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Water Mains Misc. R&R

Request #: 5
Project #: 617
Priority #: 2
Project Type: BLKT

Description of Project: Replace water mains, water services and fire hydrants.

Location: Service area

Justification: Replacement of failing water system components; reduce maintenance cost and improve system reliability.

Alternatives: Do nothing and accept high maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Remove existing failing and/or damaged mains and services.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis. O & M expenses will be reduced but are not quantifiable.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6490 - Valerie Schulte

Purchase Required By: R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	9,000	900,000	500,000	900,000	900,000	3,209,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	5,000	80,000	80,000	80,000	80,000	325,000
6348 - HYDRANTS (Water Distribution)	6,000	20,000	20,000	20,000	20,000	86,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	20,000	1,000,000	600,000	1,000,000	1,000,000	3,620,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	650
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	650

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	20,000	1,000,000	600,000	1,000,000	1,000,000	3,620,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	20,000	1,000,000	600,000	1,000,000	1,000,000	3,620,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Governmental & Other Required

Request #: 6
Project #: 620
Priority #: 25
Project Type: BLKT

Description of Project: Replacements and relocations associated with roadway projects.

Location: Service area

Justification: Relocate or replace as required by Right-of-Way Permits, age of existing infrastructure, and improve system reliability.

Alternatives: Do nothing and accept continued deterioration of water system components and violate conditions of Right-of-Way Permit.

Describe any site preparation or removal of existing assets: Remove existing failing and/or damaged mains and services.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis. O & M expenses will be reduced but are not quantifiable.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6490 - Valerie Schulte

Purchase Required By: City of Fort Pierce

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	20,000	80,000	80,000	80,000	80,000	340,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	5,000	20,000	20,000	20,000	20,000	85,000
6348 - HYDRANTS (Water Distribution)	10,000	10,000	10,000	10,000	10,000	50,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	35,000	110,000	110,000	110,000	110,000	475,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	35,000	110,000	110,000	110,000	110,000	475,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	35,000	110,000	110,000	110,000	110,000	475,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Water Main Looping

Request #: 7
Project #: 625
Priority #: 0
Project Type: STD

Description of Project: Water facilities to improve water quality, enhance fire protection, improve reliability and increase customer base.

Location: Various system locations

Justification: Improvements to the water system benefit all customers and will reduce the number of affected customers during shut downs and reduces flushing at dead end mains.

Alternatives: Do nothing and continue to expend manpower to flush dead end mains and have areas with deficient fire flow availability.

Describe any site preparation or removal of existing assets: Site clearing and excavation for installment of mains.

Impact to operating income: Decrease flushing expenses. Increase in revenues due to water mains which can service new customers. Amount is indeterminate as it is a property owner decision to connect.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6490 - Valerie Schulte

Purchase Required By: Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	-	100,000	100,000	100,000	100,000	400,000
6348 - HYDRANTS (Water Distribution)	-	10,000	10,000	10,000	10,000	40,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	110,000	110,000	110,000	110,000	440,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates		-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges		110,000	110,000	110,000	110,000	440,000
State Revolving Fund Loan	-	-	-	-	-	-
Total	-	110,000	110,000	110,000	110,000	440,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: 7th Street - 10th - Wendell

Request #: 8
Project #: 630
Priority #: 20
Project Type: STD

Description of Project: Adjustment of water mains, services and hydrants due to storm drain and roadway work.

Location: 7th Street - 10th Street - Wendell Road

Justification: Adjustment of water mains, services and hydrants due to storm drain and roadway work.

Alternatives: None. Work is required by Right of Way permit.

Describe any site preparation or removal of existing assets: Asphalt removal where mains are removed that require adjustment.

Impact to operating income: No impact

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2018

Project Manager: 6697 - Richard Mutterback

Purchase Required By: City of Fort Pierce

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	13,000	-	-	-	-	13,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	2,000	-	-	-	-	2,000
6348 - HYDRANTS (Water Distribution)	5,000	-	-	-	-	5,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	20,000	-	-	-	-	20,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	5,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	5,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	20,000	-	-	-	-	20,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	20,000	-	-	-	-	20,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: San Lucie WM Replacements

Request #: 9
Project #: 633
Priority #: 22
Project Type: STD

Description of Project: Replacement of water mains due to conflict with County proposed drainage facilities.

Location: Cherokee Street between Hugo Road and St. Lucie Blvd.

Justification: Required by Right-of-Way Permit.

Alternatives: Do nothing and violate conditions of Right-of-Way Permit.

Describe any site preparation or removal of existing assets: Remove existing asphalt and mains in conflict.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis. O & M expenses will be reduced but are not quantifiable.

Anticipated start date: 5/8/2015 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** St. Lucie County

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	50,000	-	-	-	-	50,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	50,000	-	-	-	-	50,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	4,835
Estimated Cost for FY 2017	5,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	9,835

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	50,000	-	-	-	-	50,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	50,000	-	-	-	-	50,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: 17th St - Orange Ave to Ave D

Request #: 10
Project #: 635
Priority #: 9
Project Type: STD

Description of Project: Replace water mains, water services and fire hydrants.

Location: 17th Street - Orange Avenue to Avenue D

Justification: Replacement of failing water system components; reduce maintenance cost and improve system reliability.

Alternatives: Do nothing and accept high maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs. Construction with City roadway project is cost effective.

Describe any site preparation or removal of existing assets: Remove existing asphalt, failing and/or damaged mains and services.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on a emergency versus planned basis.

Anticipated start date: 10/1/2015 **Anticipated completion date:** 9/30/2019

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** City of Fort Pierce

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	100,000	122,000	-	-	-	222,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	20,000	30,000	-	-	-	50,000
6348 - HYDRANTS (Water Distribution)	1,000	11,000	-	-	-	12,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	121,000	163,000	-	-	-	284,000

Actual Amount Spent 10/1/16- 3/31/17	522

Inception through 9/30/16	5,916
Estimated Cost for FY 2017	1,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	6,916

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	121,000	163,000	-	-	-	284,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	121,000	163,000	-	-	-	284,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Ave M - 25th to 13th

Request #: 11
Project #: 642
Priority #: 10
Project Type: STD

Description of Project: Replace water mains, water services and fire hydrants using State revolving loan funding.

Location: Avenue M from 25th Street to 13th Street

Justification: Replacement of failing water system components; reduce maintenance cost and improve system reliability.

Alternatives: Do nothing and accept high maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Remove existing asphalt, failing and/or damaged mains and services.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on a emergency versus planned basis.

Anticipated start date: 10/1/2016 **Anticipated completion date:** 9/30/2018

Project Manager: 6338 - James Carnes **Purchase Required By:** R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	619,000	-	-	-	-	619,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	70,000	-	-	-	-	70,000
6348 - HYDRANTS (Water Distribution)	15,000	-	-	-	-	15,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	704,000	-	-	-	-	704,000

Actual Amount Spent 10/1/16- 3/31/17	311

Inception through 9/30/16	-
Estimated Cost for FY 2017	15,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	15,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid		-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	704,000	-	-	-	-	704,000
Total	704,000	-	-	-	-	704,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Ohio - Oleander to S US 1

Request #: 12
Project #: 644
Priority #: 11
Project Type: STD

Description of Project: Replacement of water mains, services and hydrants using State revolving loan funding.

Location: Ohio - Oleander Blvd to S US Highway 1

Justification: Replacement of failing water system components; reduce maintenance cost and improve system reliability.

Alternatives: Do nothing and accept high maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Remove existing asphalt, failing and/or damaged mains and services.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis. O & M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2016 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	300,000	-	-	-	-	300,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	25,000	-	-	-	-	25,000
6348 - HYDRANTS (Water Distribution)	15,000	-	-	-	-	15,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	340,000	-	-	-	-	340,000

Actual Amount Spent 10/1/16- 3/31/17	44

Inception through 9/30/16	-
Estimated Cost for FY 2017	15,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	15,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	340,000	-	-	-	-	340,000
Total	340,000	-	-	-	-	340,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Avenue A - N 8th to N 7th

Request #: 13
Project #: 650
Priority #: 4
Project Type: STD

Description of Project: Replacement of water mains, services and hydrants.

Location: Avenue A - N. 8th Street to N. 7th Street.

Justification: Replacement of failing water system components; reduce maintenance cost and improve system reliability.

Alternatives: Do nothing and accept high maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Remove existing failing and/or damaged mains and services.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis. O & M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6338 - James Carnes **Purchase Required By:** R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	55,000	-	-	-	-	55,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	5,000	-	-	-	-	5,000
6348 - HYDRANTS (Water Distribution)	10,000	-	-	-	-	10,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	70,000	-	-	-	-	70,000

Actual Amount Spent 10/1/16- 3/31/17	203

Inception through 9/30/16	-
Estimated Cost for FY 2017	2,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	2,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	70,000	-	-	-	-	70,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	70,000	-	-	-	-	70,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Sea Winds 12-in WM

Request #: 14
Project #: 653
Priority #: 15
Project Type: STD

Description of Project: Install 510 lf of 12-inch water main south of Miramar condominiums.

Location: 10044 South Ocean Drive along Sea Winds condominiums property frontage.

Justification: Customer funded water main will increase customer base by connection of 384 condominiums (Ocean Towers, Island Village and Sea Winds).

Alternatives: Do nothing. This is not recommended due to increased revenues and water quality improvements by adding customers.

Describe any site preparation or removal of existing assets: Clearing and grubbing to install new main.

Impact to operating income: Revenues will increase by approximately $6,000 per month.

Anticipated start date: 10/1/2016 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	175,000	-	-	-	-	175,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	175,000	-	-	-	-	175,000

Actual Amount Spent 10/1/16- 3/31/17	6,265

Inception through 9/30/16	5,771
Estimated Cost for FY 2017	10,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	15,771

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid		-	-	-	-	-
Capital Improvement Charges	175,000	-	-	-	-	175,000
State Revolving Fund Loan	-	-	-	-	-	-
Total	175,000	-	-	-	-	175,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: US Hwy 1 - Midway to Edwards

Request #: 15
Project #: 658
Priority #: 21
Project Type: STD

Description of Project: Water facilities improvements and adjustments associated with FDOT roadway project.

Location: South US 1 between Edwards Road and Midway Road.

Justification: Required by FDOT Right-of-Way Permit.

Alternatives: Do nothing and violate conditions of FDOT Right-of-Way Permit.

Describe any site preparation or removal of existing assets: Remove, relocate, or abandon in-place water facility components which conflict with FDOT drainage design.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis. O & M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2015 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** FDOT

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	46,000	-	-	-	-	46,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	2,000	-	-	-	-	2,000
6348 - HYDRANTS (Water Distribution)	5,000	-	-	-	-	5,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	53,000	-	-	-	-	53,000

Actual Amount Spent 10/1/16- 3/31/17	5,220

Inception through 9/30/16	-
Estimated Cost for FY 2017	110,000
Est. FY 2017 Budget Carryover	67,000
Estimated Total Through 9/30/17	177,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	53,000	-	-	-	-	53,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	53,000	-	-	-	-	53,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Fra Mar MSBU

Request #: 16
Project #: 663
Priority #: 19
Project Type: STD

Description of Project: Installation of water mains, water services and fire hydrants on Fra Mar and Wagner.

Location: Fra Mar and Wagner Place between Oleander and 7th Street.

Justification: County MSBU to bring municipal water to existing homeowners.

Alternatives: Do not participate in MSBU.

Describe any site preparation or removal of existing assets: Clearing and grubbing for water main installation.

Impact to operating income: New customers will increase annual revenue by approximately $25,000 per year.

Anticipated start date: 10/1/2015 **Anticipated completion date:** 9/30/2018

Project Manager: 6338 - James Carnes **Purchase Required By:** St. Lucie County

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	96,000	-	-	-	-	96,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	5,000	-	-	-	-	5,000
6348 - HYDRANTS (Water Distribution)	5,000	-	-	-	-	5,000
		-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	106,000	-	-	-	-	106,000

Actual Amount Spent 10/1/16- 3/31/17	3,665

Inception through 9/30/16	8,579
Estimated Cost for FY 2017	180,000
Est. FY 2017 Budget Carryover	46,000
Estimated Total Through 9/30/17	234,579

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	30,000	-	-	-	-	30,000
Capital Improvement Charges	76,000	-	-	-	-	76,000
State Revolving Fund Loan	-	-	-	-	-	-
Total	106,000	-	-	-	-	106,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Selvitz Road Water Main

Request #: 17
Project #: 664
Priority #: 18
Project Type: STD

Description of Project: Installation of new water main to complete a loop on Jenkins Road to bolster southwest service area.

Location: Selvitz Road North of Midway Road

Justification: Provide capacity for future growth.

Alternatives: Do nothing and accept the limitation in future capacity of the water distribution system and inability to provide adequate service to new developments.

Describe any site preparation or removal of existing assets: Site clearing and excavation for installation of mains.

Impact to operating income: Decrease flushing expenses. Increase in annual revenue is estimated at $8,000 if all adjacent property owners connect.

Anticipated start date: 10/1/2012 **Anticipated completion date:** 9/30/2018

Project Manager: 6697 - Richard Mutterback **Purchase Required By:** Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	20,000	-	-	-	-	20,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	5,000	-	-	-	-	5,000
6348 - HYDRANTS (Water Distribution)	5,000	-	-	-	-	5,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	30,000	-	-	-	-	30,000

Actual Amount Spent 10/1/16- 3/31/17	53

Inception through 9/30/16	39,549
Estimated Cost for FY 2017	150,000
Est. FY 2017 Budget Carryover	100,000
Estimated Total Through 9/30/17	289,549

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	30,000	-	-	-	-	30,000
State Revolving Fund Loan	-	-	-	-	-	-
Total	30,000	-	-	-	-	30,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Wendell - 8th to Chipolla

Request #: 18
Project #: 667
Priority #: 12
Project Type: STD

Description of Project: Replacement of water mains, services and hydrants using State revolving loan funding.

Location: Wendell - S 8th Street to Chipolla Boulevard

Justification: Replacement of failing water system components; reduce maintenance cost and improve system reliability.

Alternatives: Do nothing and accept high maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Remove existing asphalt, failing and/or damaged mains and services.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis. O & M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2016 **Anticipated completion date:** 9/30/2018

Project Manager: 6697 - Richard Mutterback **Purchase Required By:** R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	370,000	-	-	-	-	370,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	20,000	-	-	-	-	20,000
6348 - HYDRANTS (Water Distribution)	15,000	-	-	-	-	15,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	405,000	-	-	-	-	405,000

Actual Amount Spent 10/1/16- 3/31/17	44

Inception through 9/30/16	-
Estimated Cost for FY 2017	15,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	15,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	405,000	-	-	-	-	405,000
Total	405,000	-	-	-	-	405,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Midway Road - US 1 to 25th St.

Request #: 19
Project #: 684
Priority #: 24
Project Type: STD

Description of Project: Utility improvements and adjustments associated with County roadway project.

Location: Midway Road - US 1 to 25th Street

Justification: Required by County Right-of-Way Permit.

Alternatives: Do nothing and violate conditions of County Right-of-Way Permit.

Describe any site preparation or removal of existing assets: Remove existing facilities which conflict with roadway design.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis. O & M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2012 **Anticipated completion date:** 9/30/2019

Project Manager: 6697 - Richard Mutterback **Purchase Required By:** FDOT

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	288,000	40,000	-	-	-	328,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	10,000		-	-	-	10,000
6348 - HYDRANTS (Water Distribution)	6,000		-	-	-	6,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	304,000	40,000	-	-	-	344,000

Actual Amount Spent 10/1/16- 3/31/17	665

Inception through 9/30/16	10,623
Estimated Cost for FY 2017	320,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	330,623

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	269,000	32,000	-	-	-	301,000
Contribution-in-Aid	35,000	8,000	-	-	-	43,000
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	304,000	40,000	-	-	-	344,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Midway Road- Elm Ave to 25th

Request #: 20
Project #: 686
Priority #: 16
Project Type: STD

Description of Project: Installation of approximately 3,750 lf of 12 inch water main from Elm Ave to 25th Street including a portion attached to the N. St. Lucie River crossing bridge structure.

Location: Midway Road - Elm Avenue to 25th Street

Justification: To improve hydraulic capacity in the southwest portion of our service area per the Master Plan. This is a major water main loop.

Alternatives: Do nothing and accept limitations to new growth/customer base.

Describe any site preparation or removal of existing assets: Site clearing and grubbing.

Impact to operating income: Ultimately will increase revenue by ability to serve new customers.

Anticipated start date: 10/1/2016 **Anticipated completion date:** 9/30/2019

Project Manager: 6697 - Richard Mutterback **Purchase Required By:** Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	509,000	40,000	-	-	-	549,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	8,000		-	-	-	8,000
6348 - HYDRANTS (Water Distribution)	19,000		-	-	-	19,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	536,000	40,000	-	-	-	576,000

Actual Amount Spent 10/1/16- 3/31/17	8,720

Inception through 9/30/16	16,696
Estimated Cost for FY 2017	362,000
Est. FY 2017 Budget Carryover	100,000
Estimated Total Through 9/30/17	478,696

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	536,000	40,000	-	-	-	576,000
State Revolving Fund Loan	-	-	-	-	-	-
Total	536,000	40,000	-	-	-	576,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Kings Hwy-Okee Rd to Orange Av

Request #: 21
Project #: 690
Priority #: 17
Project Type: STD

Description of Project: Installation of 12-inch water main master planned facility and adjustment of existing main.

Location: Kings Highway from Okeechobee Road to Orange Avenue.

Justification: Adjustments are FDOT funded, new main will improve hydraulic capacity of NW portion of service territory.

Alternatives: Do nothing. This is a master planned facility and is cost effective to install during or before roadway construction to eliminate restoration costs.

Describe any site preparation or removal of existing assets: Clearing and grubbing water main route.

Impact to operating income: Will reduce flushing on dead end main and reduce O & M costs for maintaining flushing devices.

Anticipated start date: 10/1/2016 **Anticipated completion date:** 9/30/2019

Project Manager: 6338 - James Carnes **Purchase Required By:** FDOT

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	310,000	350,000	-	-	-	660,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	20,000	30,000	-	-	-	50,000
6348 - HYDRANTS (Water Distribution)	40,000	40,000	-	-	-	80,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-		-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	370,000	420,000	-	-	-	790,000

Actual Amount Spent 10/1/16- 3/31/17	787

Inception through 9/30/16	-
Estimated Cost for FY 2017	1,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	1,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	10,000		-	-	-	10,000
Contribution-in-Aid	60,000	20,000	-	-	-	80,000
Capital Improvement Charges	300,000	400,000	-	-	-	700,000
State Revolving Fund Loan	-	-	-	-	-	-
Total	370,000	420,000	-	-	-	790,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: 2nd Deep Injection Well/WTP

Request #: 22
Project #: 694
Priority #: 0
Project Type: STD

Description of Project: 2nd Deep Injection well for RO brine disposal at Water Treatment Plant.

Location: Water Treatment Plant.

Justification: Required to increase firm capacity of RO plant and provide backup during MITs.

Alternatives: Do nothing and accept lower plant capacity.

Describe any site preparation or removal of existing assets: General site clearing for construction and trench excavation for pipeline connections.

Impact to operating income: Net increase if more capacity is available for water sales.

Anticipated start date: 10/1/2015 **Anticipated completion date:** 9/30/2021

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6333 - DEEP INJECTION WELL (Water Trtmt Plant)	-		100,000	4,200,000	-	4,300,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	-	100,000	4,200,000	-	4,300,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	93,824
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	93,824

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-		100,000	4,200,000	-	4,300,000
State Revolving Fund Loan	-	-	-	-	-	-
Total	-	-	100,000	4,200,000	-	4,300,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Well 3R Replacement

Request #: 23
Project #: 698
Priority #: 3
Project Type: STD

Description of Project: Replacement Well

Location: On S. 29th Street near Georgia Canal

Justification: Reduce reliance on old failing wells and ensure a firm capacity of the surficial well field.

Alternatives: Postpone replacing the failed well and accept diminished surficial well field capacity which limits ability to utilize the lime softening water plant requiring utilization of the RO water plant with higher operating costs.

Describe any site preparation or removal of existing assets: Removal of existing well vault and equipment and minimal land clearing.

Impact to operating income: Decreased operating expenses by reducing maintenance and improved pumping efficiency. Estimated at 10% of each well's pumping cost.

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6314 - WELLS & SPRINGS (Source/Supply)	435,000	-	-	-	-	435,000
6330 - LAND & RIGHTS (Water Trtmt Plant)	15,000	-	-	-	-	15,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	450,000	-	-	-	-	450,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	292,500	-	-	-	-	292,500
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	157,500	-	-	-	-	157,500
State Revolving Fund Loan	-	-	-	-	-	-
Total	450,000	-	-	-	-	450,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: RO Upgrades/Electric Upgrades

Request #: 24
Project #:
Priority #: 0
Project Type: STD

Description of Project: Improvements at WTP to obtain 10.3 mg RO capacity and upgrade backup power.

Location: Water Treatment Plant.

Justification: Capacity required to meet future demands.

Alternatives: Construct additional surficial wells; however, SFWMD will not allow.

Describe any site preparation or removal of existing assets: Removal of existing generators and some electric wiring.

Impact to operating income: Reduced maintenance costs.

Anticipated start date: 6/1/2017 **Anticipated completion date:** 9/30/2020

Project Manager: 6338 - James Carnes **Purchase Required By:** Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6325 - ELEC PUMPING EQUIP (Source/Supply)	-	-	315,000		-	315,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	-	315,000	-	-	315,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	48,640
Estimated Cost for FY 2017	170,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	218,640

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	315,000		-	315,000
State Revolving Fund Loan	-	-	-	-	-	-
Total	-	-	315,000	-	-	315,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Floridan Well Field Generator

Request #: 25
Project #:
Priority #: 0
Project Type: STD

Description of Project: Construct building, purchase and install stationary generator for backup power to Floridan well field.

Location: Near Floridan wells - location TBD

Justification: To meet water demands during power outages.

Alternatives: Rely on mobile generators during storm events.

Describe any site preparation or removal of existing assets: Clearing and grubbing site.

Impact to operating income: Reduced labor costs

Anticipated start date: 10/1/2019

Anticipated completion date: 9/30/2020

Project Manager: 6338 - James Carnes

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6322 - PUMPING PLANT EQUIPMENT (Source/Supply	-	50,000	500,000	-	-	550,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	50,000	500,000	-	-	550,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	50,000	500,000	-	-	550,000
State Revolving Fund Loan	-	-	-	-	-	-
Total	-	50,000	500,000	-	-	550,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Subaqueous Mains Stabilization

Request #: 26
Project #: 909
Priority #: 1
Project Type: STD

Description of Project: Provide protection over existing water mains that cross under the Indian River lagoon.

Location: Between mainland and South Hutchinson and North Hutchinson Islands.

Justification: Critical facilities need to be protected to prevent damage. Protection will extend the life of the pipelines

Alternatives: Bore new pipelines by horizontal directional drilling under lagoon sea bed.

Describe any site preparation or removal of existing assets: None

Impact to operating income: Will prevent large O&M expense if underwater repair needs to occur and potential cost of environmental clean up.

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	75,000	-	-	-	-	75,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	75,000	-	-	-	-	75,000

Actual Amount Spent 10/1/16- 3/31/17	37

Inception through 9/30/16	-
Estimated Cost for FY 2017	18,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	18,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	75,000	-	-	-	-	75,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	75,000	-	-	-	-	75,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: N 8th Street - Orange to Ave E

Request #: 27
Project #:
Priority #: 0
Project Type: STD

Description of Project: Replacement of water mains, services and hydrants.

Location: N. 8th Street - Orange Avenue to Avenue E

Justification: Replacement of failing water system components; reduce maintenance cost and improve system reliability.

Alternatives: Do nothing and accept high maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Remove existing failing and/or damaged mains and services.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis. O & M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2019 **Anticipated completion date:** 9/30/2020

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	-	-	300,000	-	-	300,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	-	-	60,000	-	-	60,000
6348 - HYDRANTS (Water Distribution)	-	-	40,000	-	-	40,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	-	400,000	-	-	400,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-		400,000	-	-	400,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	-	-	400,000	-	-	400,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Ave E WM Repl-N 10th to N 7th

Request #: 28
Project #: 643
Priority #: 5
Project Type: STD

Description of Project: Replace water mains, water services and fire hydrants.

Location: Avenue E - N 10th to N 7th

Justification: Replacement of failing water system components; reduce maintenance cost and improve system reliability.

Alternatives: Do nothing and accept high maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Remove existing asphalt, failing and/or damaged mains and services.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis.

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6697 - Richard Mutterback **Purchase Required By:** R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	105,500	-	-	-	-	105,500
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	50,000	-	-	-	-	50,000
6348 - HYDRANTS (Water Distribution)	20,000	-	-	-	-	20,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	175,500	-	-	-	-	175,500

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	175,500	-	-	-	-	175,500
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	175,500	-	-	-	-	175,500

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Avenue B WM Repl-N 8th-N 7th

Request #: 29
Project #: 646
Priority #: 6
Project Type: STD

Description of Project: Replace water mains, water services and fire hydrants.

Location: Avenue B - N 8th to N 7th

Justification: Replacement of failing water system components; reduce maintenance cost and improve system reliability.

Alternatives: Do nothing and accept high maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Remove existing asphalt, failing and/or damaged mains and services.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis.

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6697 - Richard Mutterback **Purchase Required By:** R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	52,500	-	-	-	-	52,500
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	5,000	-	-	-	-	5,000
6348 - HYDRANTS (Water Distribution)	10,000	-	-	-	-	10,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	67,500	-	-	-	-	67,500

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	67,500	-	-	-	-	67,500
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	67,500	-	-	-	-	67,500

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Avenue I & Loop to J WM Repl.

Request #: 30
Project #: 672
Priority #: 7
Project Type: STD

Description of Project: Replace water mains, water services and fire hydrants.

Location: Avenue I - N 10 to N 7th

Justification: Replacement of failing water system components; reduce maintenance cost and improve system reliability.

Alternatives: Do nothing and accept high maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Remove existing asphalt, failing and/or damaged mains and services.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis.

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6697 - Richard Mutterback **Purchase Required By:** R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	104,000	-	-	-	-	104,000
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	45,000	-	-	-	-	45,000
6348 - HYDRANTS (Water Distribution)	20,000	-	-	-	-	20,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	169,000	-	-	-	-	169,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	169,000	-	-	-	-	169,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	169,000	-	-	-	-	169,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: N 10th St WM Repl-Ave E-Ave L

Request #: 31
Project #: 681
Priority #: 8
Project Type: STD

Description of Project: Replace water mains, water services and fire hydrants.

Location: N 10th Street - Avenue E to Avenue L

Justification: Replacement of failing water system components; reduce maintenance cost and improve system reliability.

Alternatives: Do nothing and accept high maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Remove existing asphalt, failing and/or damaged mains and services.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis.

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	205,500	-	-	-	-	205,500
6345 - SVC LINES & BACKFLOW PREV (Water Dist)	65,000	-	-	-	-	65,000
6346 - METERS (Water Distribution)	40,000	-	-	-	-	40,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	310,500	-	-	-	-	310,500

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	310,500	-	-	-	-	310,500
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	310,500	-	-	-	-	310,500

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Savannah PS WM Addition

Request #: 32
Project #: 682
Priority #: 13
Project Type: STD

Description of Project: Install 12-inch Water Main

Location: Savannah Pump Station

Justification: Improve water quality and hydraulics by isolating inlet and outlet water mains.

Alternatives: Continue with short circuiting water flow.

Describe any site preparation or removal of existing assets: Remove existing asphalt and concrete.

Impact to operating income: Decreased O&M expenses due to better hydraulics but not measurable.

Anticipated start date: 10/1/2017

Anticipated completion date: 9/30/2018

Project Manager: 6697 - Richard Mutterback

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	50,000	-	-	-	-	50,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	50,000	-	-	-	-	50,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	50,000	-	-	-	-	50,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	50,000	-	-	-	-	50,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Water

Project Title: Fisherman's Wharf WM Rehab.

Request #: 33
Project #: 695
Priority #: 23
Project Type: STD

Description of Project: Utility adjustments associated with roadway project.

Location: Indian River Drive east towards lagoon.

Justification: Required by City Of Fort Pierce ROW Permit.

Alternatives: Do nothing and violate conditions of Right-of-Way Permit.

Describe any site preparation or removal of existing assets: Remove existing facilities which conflict with roadway design.

Impact to operating income: Capital expenses will be approximately 50% greater if work is done on an emergency versus planned basis. O & M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** St. Lucie County

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
6343 - MAINS (Water Distribution)	20,000	-	-	-	-	20,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	20,000	-	-	-	-	20,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	5,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	5,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	20,000	-	-	-	-	20,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	20,000	-	-	-	-	20,000

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 56 - Electric & Gas Engineering - Gas

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
1	Kings Hwy-Okee Rd to Angle Rd	15,000	170,000	10,000	-	-	-	180,000
2	SCADA Monitoring	50,000	35,000	-	-	-	-	35,000
3	17th St - Orange Ave to Ave D	-	10,000	-	-	-	-	10,000
4	US HWY 1 - Midway to Edwards	128,276	115,000	-	-	-	-	115,000
5	13th St - Virginia to Ave Q	23,000	10,000	10,000	-	-	-	20,000
6	Midway Road - US Hwy 1 to 25th	45,000	10,000	5,000	-	-	-	15,000
7	2nd St-Seaway to Taylor Creek	186,463	7,500	-	-	-	-	7,500
8	Paradise Park	35,595	6,500	-	-	-	-	6,500
Total		483,334	364,000	25,000	-	-	-	389,000

Request Number	Project Title or Asset Name	Priority Rating Area							
		I	II	III	IV	V	VI	Total Points	Dept. Head Rating
1	Kings Hwy-Okee Rd to Angle Rd	8	6	3	6	4	4	31	2
2	SCADA Monitoring	8	8	6	6	4	6	38	1
3	17th St - Orange Ave to Ave D	8	6	3	6	4	2	29	8
4	US HWY 1 - Midway to Edwards	8	6	3	6	4	4	31	3
5	13th St - Virginia to Ave Q	8	6	3	6	4	4	31	6
6	Midway Road - US Hwy 1 to 25th	8	6	3	4	4	2	27	5
7	2nd St-Seaway to Taylor Creek	8	6	3	6	4	4	31	7
8	Paradise Park	8	6	3	6	4	4	31	4

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	364,000	25,000	-	-	-	389,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	364,000	25,000	-	-	-	389,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Gas

Project Title: Kings Hwy-Okee Rd to Angle Rd

Request #: 1
Project #: 726
Priority #: 2
Project Type: STD

Description of Project: Reconstruction of Kings Hwy - Relocate gas mains to accommodate roadway construction

Location: Kings Hwy from Okeechobee Road to Angle Road

Justification: FDOT Roadway Improvement Project.

Alternatives: None, these relocations are forced on FPUA by FDOT, which has jurisdiction over the right of way.

Describe any site preparation or removal of existing assets: Adjust or remove existing gas main and other equipment

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2019

Project Manager: 6238 - Jason Mittler

Purchase Required By: FDOT

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7376 - MAINS (Gas Distribution)	150,000	10,000	-	-	-	160,000
7380 - SERVICE LINES (Gas Distribution)	20,000	-	-	-	-	20,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	170,000	10,000	-	-	-	180,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	10,000
Est. FY 2017 Budget Carryover	5,000
Estimated Total Through 9/30/17	15,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	170,000	10,000				180,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	170,000	10,000	-	-	-	180,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Gas

Project Title: SCADA Monitoring

Request #: 2
Project #: 734
Priority #: 1
Project Type: STD

Description of Project: Installation of remote pressure and temperature monitoring devices throughout the system

Location: Service Territory

Justification: This is part of long term planning for monitoring of the system to provide digital data collection of the system and its condition.

Alternatives: Continue to monitor using paper charts. This is not recommended based on recent history of events.

Describe any site preparation or removal of existing assets: None

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2018

Project Manager: 6127 - Javier Cisneros

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7385 - INDUS MEAS & REGULATING EQUIP (Gas Dist)	35,000	-	-	-	-	35,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	35,000	-	-	-	-	35,000

Actual Amount Spent 10/1/16- 3/31/17	3,498

Inception through 9/30/16	-
Estimated Cost for FY 2017	30,000
Est. FY 2017 Budget Carryover	20,000
Estimated Total Through 9/30/17	50,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	35,000	-	-	-	-	35,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	35,000	-	-	-	-	35,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Gas

Project Title: 17th St - Orange Ave to Ave D

Request #: 3
Project #: 735
Priority #: 8
Project Type: STD

Description of Project: Reconstruction of 17th St - relocate or reconstruct gas main to accommodate roadway construction.

Location: 17th Street - Orange Ave to Ave D

Justification: City Roadway Improvement project.

Alternatives: None, these relocations are forced on FPUA by City, which has jurisdiction over the right of way.

Describe any site preparation or removal of existing assets: Adjust or remove existing gas main and other equipment

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2018

Project Manager: 5982 - Paul Laguerre

Purchase Required By: City of Fort Pierce

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7376 - MAINS (Gas Distribution)	7,500	-	-	-	-	7,500
7380 - SERVICE LINES (Gas Distribution)	2,500	-	-	-	-	2,500
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	-	-	-	-	10,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	10,000					10,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	10,000	-	-	-	-	10,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Gas

Project Title: US HWY 1 - Midway to Edwards

Request #: 4
Project #: 758
Priority #: 3
Project Type: STD

Description of Project: Relocate gas main along US Hwy 1 to accommodate roadway construction.

Location: US Hwy 1 - Midway Rd to Edwards Rd

Justification: FDOT Roadway Improvement Project

Alternatives: None, these relocations are forced on FPUA by FDOT, which has jurisdiction over the right of way.

Describe any site preparation or removal of existing assets: Adjust or remove existing gas main and other equipment

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2018

Project Manager: 6238 - Jason Mittler

Purchase Required By: FDOT

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7376 - MAINS (Gas Distribution)	90,000		-	-	-	90,000
7380 - SERVICE LINES (Gas Distribution)	25,000		-	-	-	25,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	115,000	-	-	-	-	115,000

Actual Amount Spent 10/1/16- 3/31/17	471

Inception through 9/30/16	3,276
Estimated Cost for FY 2017	100,000
Est. FY 2017 Budget Carryover	25,000
Estimated Total Through 9/30/17	128,276

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	115,000		-	-	-	115,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	115,000	-	-	-	-	115,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Gas

Project Title: 13th St - Virginia to Ave Q

Request #: 5
Project #: 780
Priority #: 6
Project Type: STD

Description of Project: Reconstruction of 13th Street - Major conversion from overhead to underground services. This is the first year of a multi-year project.

Location: 13th Street from Virginia Ave to Ave Q

Justification: City of Fort Pierce Roadway Improvement Project.

Alternatives: None, these relocations are forced on FPUA by City, which has jurisdiction over the right of way.

Describe any site preparation or removal of existing assets: Adjust or remove existing gas main and other equipment

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2019

Project Manager: 5982 - Paul Laguerre

Purchase Required By: City of Fort Pierce

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7376 - MAINS (Gas Distribution)	7,500	7,500	-	-	-	15,000
7380 - SERVICE LINES (Gas Distribution)	2,500	2,500	-	-	-	5,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	10,000	-	-	-	20,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	23,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	23,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	10,000	10,000	-	-	-	20,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	10,000	10,000	-	-	-	20,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Gas

Project Title: Midway Road - US Hwy 1 to 25th

Request #: 6
Project #: 784
Priority #: 5
Project Type: STD

Description of Project: Reconstruction of Midway Road - relocate gas main to accommodate roadway construction

Location: Midway Road between US Hwy 1 and 25th Street

Justification: FDOT Roadway Improvement Project.

Alternatives: None, these relocations are forced on FPUA by FDOT, which has jurisdiction over the right of way.

Describe any site preparation or removal of existing assets: Adjust or remove existing gas main and other equipment

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2019

Project Manager: 6238 - Jason Mittler

Purchase Required By: FDOT

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7376 - MAINS (Gas Distribution)	10,000	5,000	-	-	-	15,000
7380 - SERVICE LINES (Gas Distribution)	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	5,000	-	-	-	15,000

Actual Amount Spent 10/1/16- 3/31/17	39,449

Inception through 9/30/16	-
Estimated Cost for FY 2017	45,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	45,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	10,000	5,000	-	-	-	15,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	10,000	5,000	-	-	-	15,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Gas

Project Title: 2nd St-Seaway to Taylor Creek

Request #: 7
Project #: 787
Priority #: 7
Project Type: STD

Description of Project: Reconstruction of 2nd street -Major relocation of gas main

Location: 2nd Street from Seaway Drive to Taylor Creek

Justification: St. Lucie County Roadway Improvement Project. Project contingent upon contribution for relocation of gas main

Alternatives: None, these relocations are forced on FPUA by FDOT, which has jurisdiction over the right of way.

Describe any site preparation or removal of existing assets: Adjust or remove existing gas main and other equipment

Impact to operating income: None

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2018

Project Manager: 5982 - Paul Laguerre

Purchase Required By: St. Lucie County

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7376 - MAINS (Gas Distribution)	7,500	-	-	-	-	7,500
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	7,500	-	-	-	-	7,500

Actual Amount Spent 10/1/16- 3/31/17	46,146

Inception through 9/30/16	116,463
Estimated Cost for FY 2017	70,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	186,463

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	7,500	-	-	-	-	7,500
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	7,500	-	-	-	-	7,500

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
56 - Electric & Gas Engineering - Gas

Project Title: Paradise Park

Request #: 8
Project #: 791
Priority #: 4
Project Type: STD

Description of Project: Relocate or adjust gas main to accommodate drainag improvements

Location: South of Juanita Ave between 25th St and US 1 Hwy

Justification: St Lucie County Drainage Improvement Project

Alternatives: None, these relocations are forced on FPUA by County, which has jurisdiction over the right of way.

Describe any site preparation or removal of existing assets: Adjust or remove existing gas main and other equipment

Impact to operating income: None

Anticipated start date: 10/1/2014

Anticipated completion date: 9/30/2018

Project Manager: 5982 - Paul Laguerre

Purchase Required By: St. Lucie County

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7376 - MAINS (Gas Distribution)	5,000	-	-	-	-	5,000
7380 - SERVICE LINES (Gas Distribution)	1,500	-	-	-	-	1,500
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	6,500	-	-	-	-	6,500

Actual Amount Spent 10/1/16- 3/31/17	27,968

Inception through 9/30/16	1,595
Estimated Cost for FY 2017	34,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	35,595

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	6,500		-	-	-	6,500
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	6,500	-	-	-	-	6,500

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 74 - Gas Operations

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
FA-1	3/4 Ton Pickup Truck	-	50,000	50,000	50,000	50,000	50,000	250,000
FA-2	Tractor Loader Backhoe	-	24,000	-	-	-	-	24,000
FA-3	CNG Filling Station	-	150,000	-	-	-	-	150,000
1	Gas System Renewals	31,324	17,000	17,500	18,000	18,500	19,000	90,000
2	Gas System-New Revenue	187,145	104,000	107,000	110,000	113,000	116,000	550,000
3	Meter and Regulator Changeou	-	114,000	119,000	124,000	129,000	134,000	620,000
4	Excess Flow Valves (EFVs)	139,412	50,000	50,000	50,000	-	-	150,000
5	Customer Funded Projects	50,743	50,000	50,000	50,000	50,000	50,000	250,000
6	Government & Other Required	149,501	146,000	149,000	152,000	155,000	158,000	760,000
7	Valve Installation Program	-	25,000	25,000	25,000	-	-	75,000
Total		558,125	730,000	567,500	579,000	515,500	527,000	2,919,000

Request Number	Project Title or Asset Name	Priority Rating Area							
		I	II	III	IV	V	VI	Total Points	Dept. Head Rating
FA-1	3/4 Ton Pickup Truck	8	6	8	6	6	6	40	5
FA-2	Tractor Loader Backhoe	8	6	8	6	6	6	40	6
FA-3	CNG Filling Station	8	10	8	4	2	6	38	3
1	Gas System Renewals	10	10	6	6	4	6	42	2
2	Gas System-New Revenue	10	10	8	2	4	6	40	4
3	Meter and Regulator Changeou	10	10	6	6	4	6	42	1
4	Excess Flow Valves (EFVs)	8	8	3	4	4	6	33	10
5	Customer Funded Projects	8	6	6	6	4	4	34	7
6	Government & Other Required	10	10	8	2	4	6	40	9
7	Valve Installation Program	10	8	3	2	4	6	33	8

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	555,000	392,500	404,000	390,500	402,000	2,144,000
Contribution-in-Aid	175,000	175,000	175,000	125,000	125,000	775,000
Capital Improvement Charges	-	-	-	-	-	-
Total	730,000	567,500	579,000	515,500	527,000	2,919,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
74 - Gas Operations

Request #: FA - 1
Fixed Asset #: 739218001
Priority #: 5

Fixed Asset Name: 3/4 Ton Pickup Truck

Fixed Asset Description: 3/4 Ton Pickup Truck

Justification for Purchase: Replacing Vehicle #16-524, a 2007 Ford F-250 ton Pickup which has experienced high maintenance costs (>$13,000 over the last ten years) and has become unreliable. This is part of the normal vehicle replacement program. Budget reflects cost of natural gas vehicle which will be purchased if natural gas fueling station is available. If not, the vehicle purchase price will be ~$8000 less.

Alternatives: Continue to pay for expensive repairs on the current truck

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 250,000**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 6266 - Eric Winterstein

Purchase Required By: Reliability **Class ID:** **7392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 50,000	$ 50,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 50,000

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ 50,000
Other (describe)	-
Total	$ 50,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**
16-524	F-250 Truck	66,000/10	Poor		Auction/Sale/Scrap/trade

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
74 - Gas Operations

Request #: FA - 2
Fixed Asset #: 739218002
Priority #: 6

Fixed Asset Name: Tractor Loader Backhoe

Fixed Asset Description: Kubota model ALR9192/ALR9195R4 Tractor loader backhoe or equivalent

Justification for Purchase: Existing equipment is 13 years old and is undersized for our use and requires replacement. Over $4,000 in repairs has been made to this piece of equipment over the last several years. Electric T & D will contribute half the cost for this equipment since it is used for ROW cutting. Purchase was postponed from last year.

Alternatives: Continue to pay for expensive repairs on the current piece of equipment

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 24,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 24,000**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 5819 - Craig Crawford

Purchase Required By: Reliability **Class ID:** **7392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 24,000	$ 24,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 24,000

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ 24,000
Other (describe)	-
Total	$ 24,000

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition
49-506	Kubota Track Loader Backhoe	1130/13 years	Fair		Auction/Sale/Scrap

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
74 - Gas Operations

Request #: FA - 3
Fixed Asset #: 737718003
Priority #: 3

Fixed Asset Name: CNG Filling Station

Fixed Asset Description: 9 scfm Bauer CNG Compressor, one 10,0000 storage bottle, one 4 hose time fill post, and high psi discharge dryer. (or equivalent)

Justification for Purchase: Our current fill station needs to be replaced. It is over ten years old and not currently operating. We have been unsuccessful in getting it repaired (no one can do it). The fill station has been used to fill boat cylinders. In the future the new fill station will fill boat cylinders and act as a fill/backup to fuel CNG vehicles

Alternatives:

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 150,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 150,000**

Anticipated Purchase Date: 10/1/2017 **Project Manager:** 5819 - Craig Crawford

Purchase Required By: Reliability **Class ID:** **7377 - CNG FUEL STATION EQUIPMENT (Gas**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 150,000	$ 150,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 150,000

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	X
Replace Worn Out Equipment	X
Reduce Personnel Time	
Expand Service	
Other	X
New Operation	
Improve Operations	

Quantity	
Replacements	-
Additions	-
Total	-

Proposed Funding Sources:	
Rates	$ 150,000
Other (describe)	-
Total	$ 150,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**
Not Available		>10	Non-functioning		

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
74 - Gas Operations

Project Title: Gas System Renewals

Request #: 1
Project #: 704
Priority #: 2
Project Type: BLKT

Description of Project: Gas System Renewals-Service Lines

Location: Service Area

Justification: To cover the costs of renewal and replacement of old or damaged service lines

Alternatives: None-On-going effort to replace ex-tube service lines required by the PSC and provide gas service where service lines are damaged or in need of repair

Describe any site preparation or removal of existing assets:

Impact to operating income: Revenue neutral-Regulatory requirement

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 5819 - Craig Crawford

Purchase Required By: PSC

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7380 - SERVICE LINES (Gas Distribution)	17,000	17,500	18,000	18,500	19,000	90,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	17,000	17,500	18,000	18,500	19,000	90,000

Actual Amount Spent 10/1/16- 3/31/17	67

Inception through 9/30/16	14,824
Estimated Cost for FY 2017	16,500
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	31,324

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	17,000	17,500	18,000	18,500	19,000	90,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	17,000	17,500	18,000	18,500	19,000	90,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
74 - Gas Operations

Project Title: Gas System-New Revenue

Request #: 2
Project #: 705
Priority #: 4
Project Type: BLKT

Description of Project: New Construction

Location: Service Area

Justification: Provide new service to new customers

Alternatives: Do not provide service to new customers

Describe any site preparation or removal of existing assets:

Impact to operating income: Revenue positive-difficult to project based on number and type of new customer

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 5819 - Craig Crawford

Purchase Required By: Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7376 - MAINS (Gas Distribution)	44,500	46,000	47,500	49,000	50,500	237,500
7380 - SERVICE LINES (Gas Distribution)	43,500	45,000	46,500	48,000	49,500	232,500
7381 - METERS (Gas Distribution)	16,000	16,000	16,000	16,000	16,000	80,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	104,000	107,000	110,000	113,000	116,000	550,000

Actual Amount Spent 10/1/16- 3/31/17	50,690

Inception through 9/30/16	86,145
Estimated Cost for FY 2017	101,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	187,145

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	79,000	82,000	85,000	88,000	91,000	425,000
Contribution-in-Aid	25,000	25,000	25,000	25,000	25,000	125,000
Capital Improvement Charges	-	-	-	-	-	-
Total	104,000	107,000	110,000	113,000	116,000	550,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
74 - Gas Operations

Project Title: Meter and Regulator Changeouts

Request #: 3
Project #: 706
Priority #: 10
Project Type: BLKT

Description of Project: Normal change out of regulators and meters

Location: Service Area

Justification: Continue our program of changing old meters and regulators to provide reliable service and accurate measurement of used gas. As part of the Distribution Integrity Management Program, we need to accelerate replacement of old meters and regulators

Alternatives: Discontinue or reduce changeout program, resulting in higher maintenance, meter reading costs, reliability concerns and potential loss of revenue and safety concerns. There are potential regulatory issues as well

Describe any site preparation or removal of existing assets: Removal of old meters and regulators

Impact to operating income: Revenue neutral-impact to operating income-$114,000. Regulatory requirement (DIMP)

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 5819 - Craig Crawford

Purchase Required By: PSC

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7381 - METERS (Gas Distribution)	100,000	102,000	104,000	106,000	108,000	520,000
7383 - REGULATORS (Gas Distribution)	14,000	17,000	20,000	23,000	26,000	100,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	114,000	119,000	124,000	129,000	134,000	620,000

Actual Amount Spent 10/1/16- 3/31/17	16,395

Inception through 9/30/16	53,412
Estimated Cost for FY 2017	86,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	139,412

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	114,000	119,000	124,000	129,000	134,000	620,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	114,000	119,000	124,000	129,000	134,000	620,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
74 - Gas Operations

Project Title: Excess Flow Valves (EFVs)

Request #: 4
Project #: 707
Priority #: 1
Project Type: BLKT

Description of Project: Based on recent regulatory changes, FPUA must offer our customers the option to install an EFV. The cost of installing the valves is the customer's responsibility, if they want one.

Location: Throughout our service area

Justification: Regulatory Requirement

Alternatives: None

Describe any site preparation or removal of existing assets: None

Impact to operating income: Revenue neutral-Cost neutral

Anticipated start date: 10/1/2018

Anticipated completion date: On-going

Project Manager: 5819 - Craig Crawford

Purchase Required By: PSC

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7380 - SERVICE LINES (Gas Distribution)	50,000	50,000	50,000	-	-	150,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	50,000	50,000	50,000	-	-	150,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	50,000	50,000	50,000	-	-	150,000
Capital Improvement Charges	-	-	-	-	-	-
Total	50,000	50,000	50,000	-	-	150,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
74 - Gas Operations

Project Title: Customer Funded Projects

Request #: 5
Project #: 710
Priority #: 7
Project Type: BLKT

Description of Project: Requests from customer for new/relocated services that are reimbursed by the customer

Location: Service Area

Justification: Customer Funded

Alternatives:

Describe any site preparation or removal of existing assets:

Impact to operating income: Revenue positive-Cost neutral

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 5819 - Craig Crawford

Purchase Required By: Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7376 - MAINS (Gas Distribution)	25,000	25,000	25,000	25,000	25,000	125,000
7380 - SERVICE LINES (Gas Distribution)	25,000	25,000	25,000	25,000	25,000	125,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	50,000	50,000	50,000	50,000	50,000	250,000

Actual Amount Spent 10/1/16- 3/31/17	1,111

Inception through 9/30/16	743
Estimated Cost for FY 2017	50,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	50,743

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	50,000	50,000	50,000	50,000	50,000	250,000
Capital Improvement Charges	-	-	-	-	-	-
Total	50,000	50,000	50,000	50,000	50,000	250,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
74 - Gas Operations

Project Title: Government & Other Required

Request #: 6
Project #: 720
Priority #: 9
Project Type: BLKT

Description of Project: Renewals, replacements, relocations plus new capacity improvements associated with roadway projects. Includes FDOT, City and County roadways.

Location: Various locations throughout the service area

Justification: To cover the costs of government and other gas distribution projects

Alternatives:

Describe any site preparation or removal of existing assets: Removal, replacement or relocation of failing, damaged mains and services

Impact to operating income: Revenue neutral-Cost $146,000

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 5819 - Craig Crawford

Purchase Required By: City of Fort Pierce

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7376 - MAINS (Gas Distribution)	123,000	125,000	127,000	129,000	131,000	635,000
7380 - SERVICE LINES (Gas Distribution)	23,000	24,000	25,000	26,000	27,000	125,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	146,000	149,000	152,000	155,000	158,000	760,000

Actual Amount Spent 10/1/16- 3/31/17	17,884

Inception through 9/30/16	6,501
Estimated Cost for FY 2017	143,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	149,501

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	96,000	99,000	102,000	105,000	108,000	510,000
Contribution-in-Aid	50,000	50,000	50,000	50,000	50,000	250,000
Capital Improvement Charges	-	-	-	-	-	-
Total	146,000	149,000	152,000	155,000	158,000	760,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
74 - Gas Operations

Project Title: Valve Installation Program

Request #: 7
Project #: 725
Priority #: 8
Project Type: STD

Description of Project: Based on the Low Pressure Incident of December 2015, Gas Operations is studying the system to determine where additional isolation valves may be installed to prevent widespread outages under emergency conditions. Additional isolation points in the system will be established and valves installed. The program should last less than three years.

Location: Natural Gas service area

Justification: System reliability

Alternatives:

Describe any site preparation or removal of existing assets:

Impact to operating income: Revenue neutral, cost $25,000

Anticipated start date: On-going

Anticipated completion date: 9/1/2020

Project Manager: 5819 - Craig Crawford

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
7376 - MAINS (Gas Distribution)	25,000	25,000	25,000	-	-	75,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	25,000	25,000	25,000	-	-	75,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	25,000	25,000	25,000	-	-	75,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	25,000	25,000	25,000	-	-	75,000

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 66 - W/WW Engineering - Wastewater

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
FA-1	1/2 Ton 4x4 Pickup Truck	-	16,000	17,000	-	-	-	33,000
1	New Construction-Mains	-	40,000	41,493	43,338	45,239	47,198	217,268
2	New Construction-Custmr Funded	-	50,000	50,000	50,000	50,000	50,000	250,000
3	Wastewater Mains Misc. R&R	1,000	400,000	900,000	900,000	900,000	900,000	4,000,000
4	Government & Other Required	-	50,000	200,000	200,000	200,000	200,000	850,000
5	7th Street - 10th - Wendell	150,000	30,000	-	-	-	-	30,000
6	LS E Pump/Electric Upgrades	60,000	700,000	-	-	-	-	700,000
7	Ave M - 25th to 13th	20,000	1,167,000	-	-	-	-	1,167,000
8	Lift Station 23 Replacement	287,787	255,000	-	-	-	-	255,000
9	Ohio - Oleander to S US 1	20,000	565,000	-	-	-	-	565,000
10	US Hwy 1 - Midway to Edwards	72,000	20,000	-	-	-	-	20,000
11	17th St Orange Ave to Ave D	203,842	129,000	-	-	-	-	129,000
12	Wendell - 8th to Chipolla	20,000	495,000	-	-	-	-	495,000
13	IWRF Clarifier Rehabilitation	875,000	967,905	-	-	-	-	967,905
14	Midway Road - US 1 to 25th St.	30,000	20,000	-	-	-	-	20,000
15	Midway Road - Elm Ave to 25th	50,000	40,000	-	-	-	-	40,000
16	Kings Hwy-Okee Rd to Orange Av	5,000	10,000	380,000	50,000	-	-	440,000
17	Subaqueous Main Stabilization	20,000	1,050,000	-	-	-	-	1,050,000
18	2nd DIW at MWRF	-	1,520,000	-	-	-	-	1,520,000
19	Brownstone Development	5,000	405,000	-	-	-	-	405,000
20	Fisherman's Wharf Sewer Repl.	10,000	95,000	-	-	-	-	95,000
Total		1,829,629	8,024,905	1,588,493	1,243,338	1,195,239	1,197,198	13,249,173

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 66 - W/WW Engineering - Wastewater

Request Number	Project Title or Asset Name	Priority Rating Area						Total Points	Dept. Head Rating
		I	II	III	IV	V	VI		
FA-1	1/2 Ton 4x4 Pickup Truck	8	8	6	2	4	6	34	12
1	New Construction-Mains	8	6	3	4	2	2	25	21
2	New Construction-Custmr Funded	8	6	3	4	2	2	25	20
3	Wastewater Mains Misc. R&R	12	8	6	6	6	2	40	8
4	Government & Other Required	8	6	6	6	4	2	32	16
5	7th Street - 10th - Wendell	10	8	6	6	4	2	36	10
6	LS E Pump/Electric Upgrades	12	10	8	6	4	4	44	2
7	Ave M - 25th to 13th	10	10	6	6	4	4	40	4
8	Lift Station 23 Replacement	12	10	6	6	6	4	44	3
9	Ohio - Oleander to S US 1	10	10	6	6	4	4	40	5
10	US Hwy 1 - Midway to Edwards	8	6	6	6	4	2	32	15
11	17th St Orange Ave to Ave D	8	8	6	6	6	2	36	11
12	Wendell - 8th to Chipolla	10	10	6	6	4	2	38	9
13	IWRF Clarifier Rehabilitation	8	8	8	8	2	6	40	6
14	Midway Road - US 1 to 25th St.	8	6	6	6	4	2	32	14
15	Midway Road - Elm Ave to 25th	8	6	3	4	2	4	27	19
16	Kings Hwy-Okee Rd to Orange Av	8	10	8	6	4	4	40	7
17	Subaqueous Main Stabilization	12	8	6	8	6	6	46	1
18	2nd DIW at MWRF	8	10	2	2	2	6	30	17
19	Brownstone Development	8	10	3	2	2	2	27	18
20	Fisherman's Wharf Sewer Repl.	8	6	6	6	4	2	32	13

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	3,742,905	1,329,000	1,150,000	1,100,000	1,100,000	8,421,905
Contribution-in-Aid	1,750,000	50,000	50,000	50,000	50,000	1,950,000
Capital Improvement Charges	305,000	209,493	43,338	45,239	47,198	650,268
State Revolving Fund Loan	2,227,000	-	-	-	-	2,227,000
Total	8,024,905	1,588,493	1,243,338	1,195,239	1,197,198	13,249,173

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
66 - W/WW Engineering - Wastewater

Request #: FA - 1
Fixed Asset #: 639218003
Priority #: 12

Fixed Asset Name: 1/2 Ton 4x4 Pickup Truck

Fixed Asset Description: 1/2 Ton 4x4 Extended Cap Inspector Pickup Truck

Justification for Purchase: Replace 1/2 ton vehicle with high mileage, poor mechanical and physical condition. Plan to replace with a 4 wheel drive vehicle that is used daily for inspecting FPUA Engineering projects.The new vehicle will provide better reliability and is more efficient to operate than the older style trucks.

Alternatives: Continue to drive and make repairs as needed which is not considered practical.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 16,000**	**$ 17,000**	**$ -**	**$ -**	**$ -**	**$ 33,000**

Anticipated Purchase Date: 10/14/2017 **Project Manager:** 6490 - Valerie Schulte

Purchase Required By: Reliability **Class ID:** **8392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	1	$ 16,000	$ 16,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 16,000

Areas:	
Scheduled Replacement	x
Replace Obsolete Equipment	x
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	x

Quantity	
Replacements	1
Additions	-
Total	1

Proposed Funding Sources:	
Rates	$ 16,000
Other (describe)	
Total	$ 16,000

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition
15-552	2004 GMC 1500 1/2 T PU Truck	91000	Poor	$500.00	Auction

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: New Construction-Mains

Request #: 1
Project #: 810
Priority #: 21
Project Type: BLKT

Description of Project: FPUA contribution to construction of wastewater mains to serve new developments.

Location: Service Area

Justification: Provide capacity for future growth.

Alternatives: Do nothing and accept limitation in future capacity of wastewater collection system and inability to provide service to new developments.

Describe any site preparation or removal of existing assets: Site clearing and excavation for installation of mains.

Impact to operating income: Increase in revenues due to the extension of wastewater mains to new developments. Amount is indeterminate since it is based on developer work.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6490 - Valerie Schulte

Purchase Required By: Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	40,000	41,493	43,338	45,239	47,198	217,268
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	40,000	41,493	43,338	45,239	47,198	217,268

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	40,000	41,493	43,338	45,239	47,198	217,268
Total	40,000	41,493	43,338	45,239	47,198	217,268

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: New Construction-Custmr Funded

Request #: 2
Project #: 811
Priority #: 20
Project Type: BLKT

Description of Project: Customer contribution to construction of wastewater mains to serve new developments.

Location: Service Area

Justification: Provide capacity for future growth.

Alternatives: Do nothing and accept limitation in future capacity of wastewater collection system and inability to provide service to new developments.

Describe any site preparation or removal of existing assets: Site clearing and excavation for installation of mains.

Impact to operating income: Increase in revenues due to the extension of wastewater mains to new developments. Amount is indeterminate since it is based on developer work.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6490 - Valerie Schulte

Purchase Required By: Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	50,000	50,000	50,000	50,000	50,000	250,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	50,000	50,000	50,000	50,000	50,000	250,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	50,000	50,000	50,000	50,000	50,000	250,000
Capital Improvement Charges	-	-	-	-	-	-
Total	50,000	50,000	50,000	50,000	50,000	250,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: Wastewater Mains Misc. R&R

Request #: 3
Project #: 817
Priority #: 8
Project Type: BLKT

Description of Project: Renew and replace wastewater mains and services.

Location: Service Area

Justification: Replacement of failing wastewater collection and transmission system components; reduce reliability, risk of injury to public, and high future replacement costs.

Alternatives: Do nothing and accept higher maintenance costs, poor quality of service, decreased reliability, risk of injury to public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Remove existing asphalt, failing and/or damaged gravity mains, force mains and laterals.

Impact to operating income: Capital expenses will be approximately 50% higher if work is done on an emergency basis instead of planned. O&M expenses will be reduced but are not quantifiable.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6490 - Valerie Schulte

Purchase Required By: R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	300,000	700,000	700,000	700,000	700,000	3,100,000
8353 - SERVICE LINES (Wastewater Collections)	100,000	200,000	200,000	200,000	200,000	900,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	400,000	900,000	900,000	900,000	900,000	4,000,000

Actual Amount Spent 10/1/16- 3/31/17	855

Inception through 9/30/16	-
Estimated Cost for FY 2017	1,000
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	1,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	400,000	900,000	900,000	900,000	900,000	4,000,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	400,000	900,000	900,000	900,000	900,000	4,000,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: Government & Other Required

Request #: 4
Project #: 820
Priority #: 16
Project Type: BLKT

Description of Project: Renewals, replacements, and relocations associated with roadway projects. Includes FDOT, City, and County roadways.

Location: Service Area.

Justification: Relocate or replace as required by conditions of Right-of-Way Permits, and age of existing infrastructure.

Alternatives: Do nothing and accept continued deterioration of wastewater system components and violate conditions of Right-of-Way Permit.

Describe any site preparation or removal of existing assets: Remove existing asphalt, failing and/or damaged gravity mains, force mains, services and manholes.

Impact to operating income: Capital expenses will be approximately 50% higher if work is done on an emergency basis instead of planned. O&M expenses will be reduced but are not quantifiable.

Anticipated start date: On-going

Anticipated completion date: On-going

Project Manager: 6490 - Valerie Schulte

Purchase Required By: City of Fort Pierce

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	40,000	150,000	150,000	150,000	150,000	640,000
8353 - SERVICE LINES (Wastewater Collections)	10,000	50,000	50,000	50,000	50,000	210,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	50,000	200,000	200,000	200,000	200,000	850,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	50,000	200,000	200,000	200,000	200,000	850,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	50,000	200,000	200,000	200,000	200,000	850,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: 7th Street - 10th - Wendell

Request #: 5
Project #: 830
Priority #: 10
Project Type: STD

Description of Project: Replacement of Sewer Main, manholes and service laterals.

Location: 7th Street -10th Street - Wendell Road

Justification: Sewer main has reached its useful life and should be replaced as part of the R&R program and cost savings by construction with city roadway project.

Alternatives: Do nothing and accept higher maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Removal of existing asphalt, mains, laterals and manholes.

Impact to operating income: Capital expenses will be approximately 50% higher if work is done on an emergency basis instead of planned. O&M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2016 **Anticipated completion date:** 9/30/2018

Project Manager: 6697 - Richard Mutterback **Purchase Required By:** City of Fort Pierce

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	25,000		-	-	-	25,000
8353 - SERVICE LINES (Wastewater Collections)	5,000		-	-	-	5,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	30,000	-	-	-	-	30,000

Actual Amount Spent 10/1/16- 3/31/17	508

Inception through 9/30/16	-
Estimated Cost for FY 2017	10,000
Est. FY 2017 Budget Carryover	140,000
Est. Total through 9/30/17	150,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	30,000		-	-	-	30,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	30,000	-	-	-	-	30,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: LS E Pump/Electric Upgrades

Request #: 6
Project #: 834
Priority #: 2
Project Type: STD

Description of Project: Upgrade Lift Station E Components

Location: 1900 S. US Highway 1

Justification: Existing pumping and electrical equipment is undersized for high flows.

Alternatives: Continue to bypass and potentially back surge the system.

Describe any site preparation or removal of existing assets: Removal of existing pumps and electrical equipment if necessary.

Impact to operating income: Reduced operating and maintenance expenses which are not quantifiable.

Anticipated start date: 10/1/2015

Anticipated completion date: 9/30/2018

Project Manager: 6338 - James Carnes

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8363 - ELECTRIC PUMPING EQUIPMENT (Lift Stations)	700,000	-	-	-	-	700,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	700,000	-	-	-	-	700,000

Actual Amount Spent 10/1/16- 3/31/17	445

Inception through 9/30/16	-
Estimated Cost for FY 2017	60,000
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	60,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	700,000	-	-	-	-	700,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	700,000	-	-	-	-	700,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: Ave M - 25th to 13th

Request #: 7
Project #: 842
Priority #: 4
Project Type: STD

Description of Project: Replacement of Sewer Main, manholes and service laterals.

Location: Avenue M from 25th Street to 13th Street

Justification: Sewer main has reached its useful life and should be replaced as part of the R&R program.

Alternatives: Do nothing and accept higher maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Removal of existing asphalt, mains, laterals and manholes.

Impact to operating income: Capital expenses will be approximately 50% higher if work is done on an emergency basis instead of planned. O&M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2016 **Anticipated completion date:** 9/30/2018

Project Manager: 6338 - James Carnes **Purchase Required By:** R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	1,067,000	-	-	-	-	1,067,000
8353 - SERVICE LINES (Wastewater Collections)	100,000	-	-	-	-	100,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	1,167,000	-	-	-	-	1,167,000

Actual Amount Spent 10/1/16- 3/31/17	358

Inception through 9/30/16	-
Estimated Cost for FY 2017	20,000
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	20,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
SRF Loans	1,167,000	-	-	-	-	1,167,000
Total	1,167,000	-	-	-	-	1,167,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: Lift Station 23 Replacement

Request #: 8
Project #: 843
Priority #: 3
Project Type: STD

Description of Project: Relocate LS 23 to easement area near 30th Street.

Location: Newly aquired easement.

Justification: Lift Station 23 is within the Orange Avenue right of way and needs to be relocated for accessibility.

Alternatives: None

Describe any site preparation or removal of existing assets: Abandonment of wet well and removal of existing pumps. Grading new site for concrete pads and driveway construction.

Impact to operating income: Increased maintenance efficiency should reduce O&M costs.

Anticipated start date: 5/1/2015 **Anticipated completion date:** 9/30/2018

Project Manager: 6338 - James Carnes **Purchase Required By:** Safety

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	18,000	-	-	-	-	18,000
8361 - STRUCT & IMPRVMT (Lift Stations)	187,000	-	-	-	-	187,000
8363 - ELECTRIC PUMPING EQUIPMENT (Lift Stations)	50,000	-	-	-	-	50,000
		-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	255,000	-	-	-	-	255,000

Actual Amount Spent 10/1/16- 3/31/17	13,746

Inception through 9/30/16	7,787
Estimated Cost for FY 2017	25,000
Est. FY 2017 Budget Carryover	255,000
Est. Total through 9/30/17	287,787

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	255,000	-	-	-	-	255,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	255,000	-	-	-	-	255,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: Ohio - Oleander to S US 1

Request #: 9
Project #: 844
Priority #: 5
Project Type: STD

Description of Project: Replacement of Sewer Main, manholes and service laterals

Location: Ohio - Oleander Blvd to S US Highway 1

Justification: Sewer main has reached its useful life and should be replaced as part of the R&R program.

Alternatives: Do nothing and accept higher maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Removal of existing asphalt, mains, laterals and manholes.

Impact to operating income: Capital expenses will be approximately 50% higher if work is done on an emergency basis instead of planned. O&M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2016 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	440,000	-	-	-	-	440,000
8353 - SERVICE LINES (Wastewater Collections)	125,000	-	-	-	-	125,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	565,000	-	-	-	-	565,000

Actual Amount Spent 10/1/16- 3/31/17	91

Inception through 9/30/16	-
Estimated Cost for FY 2017	20,000
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	20,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
SRF Loan	565,000	-	-	-	-	565,000
Total	565,000	-	-	-	-	565,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: US Hwy 1 - Midway to Edwards

Request #: 10
Project #: 858
Priority #: 15
Project Type: STD

Description of Project: Wastewater facilities improvements and adjustments associated with FDOT roadway project.

Location: South US 1 between Edwards Road and Midway Road.

Justification: Adjustments required by FDOT Right-of-Way Permit if conflict with new roadway or drainage.

Alternatives: Do nothing and violate conditions of FDOT Right-of-Way Permit.

Describe any site preparation or removal of existing assets: Remove, relocate, or abandon in-place wastewater facility components which conflict with FDOT drainage design.

Impact to operating income: Capital expenses will be approximately 50% higher if work is done on an emergency basis instead of planned. O&M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2016 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** FDOT

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	19,000	-	-	-	-	19,000
8353 - SERVICE LINES (Wastewater Collections)	1,000	-	-	-	-	1,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	20,000	-	-	-	-	20,000

Actual Amount Spent 10/1/16- 3/31/17	1,272

Inception through 9/30/16	-
Estimated Cost for FY 2017	72,000
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	72,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	20,000	-	-	-	-	20,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	20,000	-	-	-	-	20,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: 17th St Orange Ave to Ave D

Request #: 11
Project #: 863
Priority #: 11
Project Type: STD

Description of Project: Replacement of Sewer Main, manholes and service laterals.

Location: 17th Street - Orange Avenue to Avenue D

Justification: Sewer main has reached its useful life and should be replaced as part of the R&R program and cost savings will be realized by construction with city roadway project.

Alternatives: Do nothing and accept higher maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Removal of existing asphalt, mains, laterals and manholes.

Impact to operating income: Capital expenses will be approximately 50% higher if work is done on an emergency basis instead of planned. O&M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2015 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** City of Fort Pierce

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	71,000	-	-	-	-	71,000
8353 - SERVICE LINES (Wastewater Collections)	58,000	-	-	-	-	58,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	129,000	-	-	-	-	129,000

Actual Amount Spent 10/1/16- 3/31/17	92

Inception through 9/30/16	2,842
Estimated Cost for FY 2017	1,000
Est. FY 2017 Budget Carryover	200,000
Est. Total through 9/30/17	203,842

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	129,000	-	-	-	-	129,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	129,000	-	-	-	-	129,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: Wendell - 8th to Chipolla

Request #: 12
Project #: 867
Priority #: 9
Project Type: STD

Description of Project: Replacement of Sewer Main, manholes and service laterals.

Location: Wendell - S 8th Street to Chipolla Boulevard

Justification: Sewer main has reached its useful life and should be replaced as part of the R&R program.

Alternatives: Do nothing and accept higher maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Removal of existing asphalt, mains, laterals and manholes.

Impact to operating income: Capital expenses will be approximately 50% higher if work is done on an emergency basis instead of planned. O&M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2016 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	400,000	-	-	-	-	400,000
8353 - SERVICE LINES (Wastewater Collections)	95,000	-	-	-	-	95,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	495,000	-	-	-	-	495,000

Actual Amount Spent 10/1/16- 3/31/17	91

Inception through 9/30/16	-
Estimated Cost for FY 2017	20,000
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	20,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
SRF Loan	495,000	-	-	-	-	495,000
Total	495,000	-	-	-	-	495,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: IWRF Clarifier Rehabilitation

Request #: 13
Project #: 872
Priority #: 6
Project Type: STD

Description of Project: Replacement of all structural and mechanical metal components and concrete repair of existing four (4) circular tanks.

Location: Island Water Reclamation Facility.

Justification: The equipment has reached its useful life and is planned for complete replacement.

Alternatives: None

Describe any site preparation or removal of existing assets: Replacement of all steel components.

Impact to operating income: Maintenance costs will decrease with new equipment installation but are not quantifiable. Additionally the increased solids content will reduce operating costs of clean B process.

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2018

Project Manager: 6338 - James Carnes

Purchase Required By: R&R

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8373 - DEEP INJECTION WELL (Water Reclamation)	967,905	-	-	-	-	967,905
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	967,905	-	-	-	-	967,905

Actual Amount Spent 10/1/16- 3/31/17	409

Inception through 9/30/16	-
Estimated Cost for FY 2017	875,000
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	875,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	967,905	-	-	-	-	967,905
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	967,905	-	-	-	-	967,905

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: Midway Road - US 1 to 25th St.

Request #: 14
Project #: 884
Priority #: 14
Project Type: STD

Description of Project: Utility improvements and adjustments associated with County roadway project.

Location: Midway Road - US 1 to 25th Street.

Justification: Required by County Right-of-Way Permit.

Alternatives: Do nothing and violate conditions of County Right-of-Way Permit.

Describe any site preparation or removal of existing assets: Remove existing facilities which conflict with roadway design.

Impact to operating income: Capital expenses will be approximately 50% higher if work is done on an emergency basis instead of planned. O&M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2016 **Anticipated completion date:** 9/30/2018

Project Manager: 6697 - Richard Mutterback **Purchase Required By:** FDOT

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	18,000	-	-	-	-	18,000
8353 - SERVICE LINES (Wastewater Collections)	2,000	-	-	-	-	2,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	20,000	-	-	-	-	20,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	20,000
Est. FY 2017 Budget Carryover	10,000
Est. Total through 9/30/17	30,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	20,000	-	-	-	-	20,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	20,000	-	-	-	-	20,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: Midway Road - Elm Ave to 25th

Request #: 15
Project #: 886
Priority #: 19
Project Type: STD

Description of Project: Installation of brackets for future construction of a 12-inch Force main on the Midway Road bridge across the N. St. Lucie River.

Location: Midway Rd - Elm Avenue to 25th Street.

Justification: Required by Master Plan for moving wastewater to MWRF.

Alternatives: Install a bored pipe under river. This is not possible due to limited right-of-way.

Describe any site preparation or removal of existing assets: None

Impact to operating income: None

Anticipated start date: 10/1/2016 **Anticipated completion date:** 9/30/2018

Project Manager: 6697 - Richard Mutterback **Purchase Required By:** Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	40,000	-	-	-	-	40,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	40,000	-	-	-	-	40,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	10,000
Est. FY 2017 Budget Carryover	40,000
Est. Total through 9/30/17	50,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	40,000	-	-	-	-	40,000
Total	40,000	-	-	-	-	40,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: Kings Hwy-Okee Rd to Orange Av

Request #: 16
Project #: 890
Priority #: 7
Project Type: STD

Description of Project: Relocate/replacement of force mains along Kings Highway to facilitate roadway widening.

Location: Kings Highway from Okeechobee Road to Orange Avenue.

Justification: Adjustments are required by FDOT permit.

Alternatives: Do nothing. It is cost effective to install the force main during or before roadway construction to eliminate restoration costs.

Describe any site preparation or removal of existing assets: Clearing and grubbing force main route.

Impact to operating income: Capital expenses will be approximately 50% higher if work is done on an emergency basis instead of planned. O&M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2016

Anticipated completion date: 9/30/2020

Project Manager: 6338 - James Carnes

Purchase Required By: FDOT

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	10,000	380,000	50,000	-	-	440,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	380,000	50,000	-	-	440,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	5,000
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	5,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	10,000	212,000	50,000	-	-	272,000
Contribution-in-Aid	-		-	-	-	-
Capital Improvement Charges	-	168,000	-	-	-	168,000
Total	10,000	380,000	50,000	-	-	440,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: Subaqueous Main Stabilization

Request #: 17
Project #: 909
Priority #: 1
Project Type: STD

Description of Project: Replace the existing 16" southernmost force main from the mainland to the IWRF

Location: Indian River Lagoon.

Justification: Critical sewage conveyance pipeline has been exposed and due to increased current velocity has been undermined.

Alternatives: Continue to spend O&M money on hardening of shallow force main.

Describe any site preparation or removal of existing assets: Removal of existing pipeline will be required.

Impact to operating income: Capital expense will eliminate annual maintenance cost of providing additional protection of pipeline. Annual maintenance expenses could reach $100,000 per year.

Anticipated start date: 10/1/2017

Anticipated completion date: 9/30/2018

Project Manager: 6490 - Valerie Schulte

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	1,050,000	-	-	-	-	1,050,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	1,050,000	-	-	-	-	1,050,000

Actual Amount Spent 10/1/16- 3/31/17	41

Inception through 9/30/16	-
Estimated Cost for FY 2017	20,000
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	20,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	1,050,000	-	-	-	-	1,050,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	1,050,000	-	-	-	-	1,050,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: 2nd DIW at MWRF

Request #: 18
Project #: 879
Priority #: 17
Project Type: STD

Description of Project: Completion of the existing MWRF DIW-2 injection well by installation of all equipment to make operational.

Location: Glades Cut-Off Road and Energy Drive

Justification: Provide redundancy for both TCEC and St. Lucie County Landfill Leachate disposal.

Alternatives: None

Describe any site preparation or removal of existing assets: Minor site work and trenching for new discharge piping.

Impact to operating income: Increase of operating income due to the ability to constantly pump to deep injection well while maintenance or testing is done on one well and allow leachate to be more consistently discharged.

Anticipated start date: 10/1/2017

Anticipated completion date: 9/30/2018

Project Manager: 6338 - James Carnes

Purchase Required By: St. Lucie County

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8373 - DEEP INJECTION WELL (Water Reclamation)	1,520,000	-	-	-	-	1,520,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	1,520,000	-	-	-	-	1,520,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	1,500,000	-	-	-	-	1,500,000
Capital Improvement Charges	20,000	-	-	-	-	20,000
Total	1,520,000	-	-	-	-	1,520,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: Brownstone Development

Request #: 19
Project #: 881
Priority #: 18
Project Type: STD

Description of Project: Installation of LS in project area and regional lift station.

Location: Mohawk Avenue and Bryant Road

Justification: Development is near canals and within city limits. Provision for Municipal wastewater service is necessary.

Alternatives: Do nothing which will result in loss of customers and additional septic systems near waterways in Fort Pierce.

Describe any site preparation or removal of existing assets: Clearing and grubbing for lift station site and force main.

Impact to operating income: An annual increase in revenues of approximately $14,000 once houses are occupied and there is potential for an additional 30 customers ($17,000) along adjacent roadway.

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6338 - James Carnes **Purchase Required By:** Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8350 - LAND & RIGHTS (Wastewater)	5,000	-	-	-	-	5,000
8361 - STRUCT & IMPRVMT (Lift Stations)	300,000	-	-	-	-	300,000
8352 - MAINS (Wastewater Collections)	100,000	-	-	-	-	100,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	405,000	-	-	-	-	405,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	5,000
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	5,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	-	-	-	-	-
Contribution-in-Aid	200,000	-	-	-	-	200,000
Capital Improvement Charges	205,000	-	-	-	-	205,000
Total	405,000	-	-	-	-	405,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
66 - W/WW Engineering - Wastewater

Project Title: Fisherman's Wharf Sewer Repl.

Request #: 20
Project #: 895
Priority #: 13
Project Type: STD

Description of Project: Replacement of Sewer Main, manholes and service laterals.

Location: Indian River Drive east towards lagoon.

Justification: Sewer main has reached its useful life and should be replaced.

Alternatives: Do nothing and accept higher maintenance costs, poor quality of service, decreased reliability, risk of injury to the public, and high future replacement costs.

Describe any site preparation or removal of existing assets: Removal of existing asphalt, mains, laterals and manholes.

Impact to operating income: Capital expenses will be approximately 50% higher if work is done on an emergency basis instead of planned. O&M expenses will be reduced but are not quantifiable.

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 6490 - Valerie Schulte **Purchase Required By:** St. Lucie County

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	80,000	-	-	-	-	80,000
8353 - SERVICE LINES (Wastewater Collections)	15,000	-	-	-	-	15,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	95,000	-	-	-	-	95,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	10,000
Est. FY 2017 Budget Carryover	-
Est. Total through 9/30/17	10,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	95,000	-	-	-	-	95,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	95,000	-	-	-	-	95,000

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 82 - Water Reclamation

Request Number	Project Title or Asset Name	Projected Costs						
		Inception Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
FA-1	Golf Cart	-	-	10,000	-	-	-	10,000
FA-2	IWRF DIW Pump Replacement	-	-	-	-	-	80,000	80,000
FA-3	1 Ton Pickup Truck	-	-	35,000	80,000	-	-	115,000
1	Telemetry & Controls	10,000	10,000	10,000	10,000	10,000	10,000	50,000
2	Structural Replacements	25,000	25,000	25,000	25,000	25,000	25,000	125,000
3	Bar Screen Replacement	-	-	-	-	135,000	-	135,000
4	Surge Tank Control Replacement	-	30,000	-	-	-	-	30,000
5	W-2 System Upgrade	-		60,000	-	-	-	60,000
6	Septage Receiving Facility	-	50,000	-	-	-	-	50,000
Total		35,000	115,000	140,000	115,000	170,000	115,000	655,000

Request Number	Project Title or Asset Name	Priority Rating Area							
		I	II	III	IV	V	VI	Total Points	Dept. Head Rating
FA-1	Golf Cart							-	
FA-2	IWRF DIW Pump Replacement							-	
FA-3	1 Ton Pickup Truck							-	
1	Telemetry & Controls	8	10	8	6	4	6	42	2
2	Structural Replacements	12	10	3	6	4	6	41	3
3	Bar Screen Replacement	8	10	8	6	4	6	42	
4	Surge Tank Control Replacement	8	10	8	6	4	6	42	1
5	W-2 System Upgrade	8	10	8	6	4	6	42	
6	Septage Receiving Facility	12	10	1	4	6	6	39	4

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	115,000	140,000	115,000	170,000	115,000	655,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Contingency						
Total	115,000	140,000	115,000	170,000	115,000	655,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
82 - Water Reclamation

Request #: FA - 1
Fixed Asset #:
Priority #: 0

Fixed Asset Name: Golf Cart

Fixed Asset Description: Replace 1 Golf Cart

Justification for Purchase: Old golf cart is worn

Alternatives: Do not replace existing golf cart and continue to repair existing golf cart.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ 10,000	$ -	$ -	$ -	$ 10,000

Anticipated Purchase Date: 10/1/2019 **Project Manager:** 5845 - Mark Kobbe

Purchase Required By: Efficiency/Safety **Class ID:** 8392 - VEHICLES

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	-
Additions	-
Total	-

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED

FPUA Asset Number	Description/Serial Number	Mileage / Age	Asset Condition	FY 2016 Maint. Cost	Recommended Disposition

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
82 - Water Reclamation

Request #: FA - 2
Fixed Asset #:
Priority #: 0

Fixed Asset Name: IWRF DIW Pump Replacement

Fixed Asset Description: IWRF DIW Pump Replacement

Justification for Purchase: To ensure the pumping capacities are met.

Alternatives: Do not purchase and run the risk of not being able to met required pumping capacities.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ -	$ -	$ -	$ 80,000	$ 80,000

Anticipated Purchase Date:

Project Manager: 5845 - Mark Kobbe

Purchase Required By: FDEP

Class ID: 8373 - DEEP INJECTION WELL

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	-
Additions	-
Total	-

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
82 - Water Reclamation

Request #: FA - 3
Fixed Asset #:
Priority #: 0

Fixed Asset Name: 1 Ton Pickup Truck

Fixed Asset Description: 1 Ton Pickup Truck & Equip.

Justification for Purchase: FY -19 New Truck IPP Program, FY-20 Replace yard dog (semi tractor trailer)

Alternatives: Do not purschase and it will lessen FPUA's ability to continue providing quality service in a timely manner to customers.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ 35,000	$ 80,000	$ -	$ -	$ 115,000

Anticipated Purchase Date: 10/1/2019 **Project Manager:** 5845 - Mark Kobbe

Purchase Required By: Efficiency/Safety **Class ID:** 8392 - VEHICLES

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	-
Additions	1
Total	1

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
82 - Water Reclamation

Project Title: Telemetry & Controls

Request #: 1
Project #: 803
Priority #: 2
Project Type: BLKT

Description of Project: Removal of 20+ year old equipment and replace with new networked for SCADA operation.

Location: WRF 403 Seaway Drive

Justification: FDEP mandates that all wastewater plants be fully secure and monitored 24 hours a day.

Alternatives: None

Describe any site preparation or removal of existing assets: Removal of exisiting structures

Impact to operating income: Safety Issue

Anticipated start date: 10/1/2017

Anticipated completion date: On-going

Project Manager: 5845 - Mark Kobbe

Purchase Required By: Efficiency/Safety

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8372 - TREATMENT & DISPOSAL EQUIP (Water Recl)	10,000	10,000	10,000	10,000	10,000	50,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	10,000	10,000	10,000	10,000	50,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	10,000
Inception through 9/30/17	10,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	10,000	10,000	10,000	10,000	10,000	50,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	10,000	10,000	10,000	10,000	10,000	50,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
82 - Water Reclamation

Project Title: Structural Replacements

Request #: 2
Project #: 804
Priority #: 3
Project Type: BLKT

Description of Project: Replacement of catwalks, stairways, and sidewalks

Location: IWRF 403 Seaway Drive

Justification: Moderate to severe corrosion and disrepair to pathways

Alternatives: None recommended

Describe any site preparation or removal of existing assets: Removal of existing equipment

Impact to operating income: If this project is not completed proactively the cost would be doubled.

Anticipated start date: 10/1/2017

Anticipated completion date: On-going

Project Manager: 5845 - Mark Kobbe

Purchase Required By: Efficiency/Safety

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8371 - STRUCT & IMPRVMNT (Water Reclamation)	25,000	25,000	25,000	25,000	25,000	125,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	25,000	25,000	25,000	25,000	25,000	125,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	25,000
Inception through 9/30/17	25,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	25,000	25,000	25,000	25,000	25,000	125,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	25,000	25,000	25,000	25,000	25,000	125,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
82 - Water Reclamation

Project Title: Bar Screen Replacement

Request #: 3
Project #:
Priority #: 0
Project Type: STD

Description of Project: Bar Screen Replacement

Location: IWRF 403 Seaway Drive

Justification: No longer cost effective to rehab the existing bar screen.

Alternatives: Operate with the existing bar screen.

Describe any site preparation or removal of existing assets: Removal of the existing equipment.

Impact to operating income: If this project is not completed proactively, the cost would be doubled.

Anticipated start date: 10/1/2020

Anticipated completion date: 9/30/2021

Project Manager: 5845 - Mark Kobbe

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8372 - TREATMENT & DISPOSAL EQUIP (Water Recl)		-	-	135,000	-	135,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	-	-	135,000	-	135,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Inception through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates		-	-	135,000	-	135,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	-	-	-	135,000	-	135,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
82 - Water Reclamation

Project Title: Surge Tank Control Replacement

Request #: 4
Project #: 822
Priority #: 1
Project Type: STD

Description of Project: Replace existing controls

Location: IWRF 403 Seaway Drive

Justification: Existing controls are from the original design and repair parts are becoming difficult to obtain.

Alternatives: Continue to operate with existing system and when the stock of spare parts we currently have are gone, run the risk of a failure that we are unable to repair the existing equipment.

Describe any site preparation or removal of existing assets: Removal of existing equipment.

Impact to operating income: If this project is not completed proactively, the cost would increase.

Anticipated start date: 10/1/2017

Anticipated completion date: 9/30/2018

Project Manager: 5845 - Mark Kobbe

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8373 - DEEP INJECTION WELL (Water Reclamation)	30,000	-	-	-	-	30,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	30,000	-	-	-	-	30,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Inception through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	30,000	-	-	-	-	30,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	30,000	-	-	-	-	30,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
82 - Water Reclamation

Project Title: W-2 System Upgrade

Request #: 5
Project #:
Priority #: 0
Project Type: STD

Description of Project: Installation of new pumps, motors, controls and piping

Location: IWRF 403 Seaway Drive

Justification: It is no longer efficient to continue to rebuild the pump and the control system has become obsolete.

Alternatives: Continue to run on the existing equipment

Describe any site preparation or removal of existing assets: Removal of existing equipment

Impact to operating income: If this project is not completed proactivley the cost would be doubled.

Anticipated start date: 10/1/2018

Anticipated completion date: 9/30/2019

Project Manager: 5845 - Mark Kobbe

Purchase Required By: Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8372 - TREATMENT & DISPOSAL EQUIP (Water Recl)	-	60,000	-	-	-	60,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	-	60,000	-	-	-	60,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Inception through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	-	60,000	-	-	-	60,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
State Revolving Fund Loan	-	-	-	-	-	-
Total	-	60,000	-	-	-	60,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
82 - Water Reclamation

Project Title: Septage Receiving Facility

Request #: 6
Project #: 823
Priority #: 4
Project Type: STD

Description of Project: Initial study on the feasibility of a septage/grease receiving facility

Location: City of Fort Pierce

Justification: The elimination of local dumping facilities has created a situation where as the local haulers have no means to dump the septage / grease they are removing from Fort Pierce Utilities Authority's Service territory.

Alternatives: Do not look into creating a facility which would adversely affect our customer and additionally may lead to an increase of illegal dumping which would adversely affect the environment.

Describe any site preparation or removal of existing assets: None

Impact to operating income: This project would result in an additional expense, as it would ultimately require additional staff. Could also entail additional chemicals depending on the process identified.

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2018

Project Manager: 5845 - Mark Kobbe **Purchase Required By:** Reliability

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8372 - TREATMENT & DISPOSAL EQUIP (Water Recl)	50,000	-	-		-	50,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	50,000	-	-	-	-	50,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	-
Inception through 9/30/17	-

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	50,000	-	-		-	50,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
SRF Loan	-	-	-	-	-	-
Total	50,000	-	-	-	-	50,000

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 84 - Wastewater Collection

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
FA-1	Lift Station Pump Replacement	-	30,000	30,000	30,000	30,000	30,000	150,000
FA-2	1 Ton Pickup Truck	-	70,000	100,000	30,000	100,000	30,000	330,000
FA-3	L.S. "A" Pump Replacement	-	-	-	-	100,000	-	100,000
FA-4	Dry Prime By-pass Pump	-	-	30,000	-	-	-	30,000
1	Telemetry & Controls	56,903	50,000	50,000	50,000	50,000	50,000	250,000
2	Lift Station Improvements	100,101	100,000	100,000	100,000	100,000	100,000	500,000
3	Mains and Laterals R&R	628,383	375,000	375,000	375,000	375,000	375,000	1,875,000
4	Lift Station Control Panels	50,000	50,000	50,000	50,000	50,000	50,000	250,000
5	Wastewater Main Lining	867,151	450,000	450,000	450,000	450,000	450,000	2,250,000
6	Manhole Rehabilitation	173,887	100,000	100,000	100,000	100,000	100,000	500,000
Total		1,876,425	1,225,000	1,285,000	1,185,000	1,355,000	1,185,000	6,235,000

Request Number	Project Title or Asset Name	Priority Rating Area							
		I	II	III	IV	V	VI	Total Points	Dept. Head Rating
FA-1	Lift Station Pump Replacement	10	6	6	6	6	6	40	6
FA-2	1 Ton Pickup Truck	8	10	6	4	6	6	40	7
FA-3	L.S. "A" Pump Replacement							-	
FA-4	Dry Prime By-pass Pump							-	
1	Telemetry & Controls	8	10	6	2	2	6	34	8
2	Lift Station Improvements	10	6	3	6	2	2	29	5
3	Mains and Laterals R&R	10	8	6	6	6	2	38	1
4	Lift Station Control Panels	8	8	6	6	2	4	34	2
5	Wastewater Main Lining	8	8	6	6	2	4	34	3
6	Manhole Rehabilitation	8	8	6	6	2	4	34	4

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	1,225,000	1,285,000	1,185,000	1,355,000	1,185,000	6,235,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	1,225,000	1,285,000	1,185,000	1,355,000	1,185,000	6,235,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
84 - Wastewater Collection

Request #: FA - 1
Fixed Asset #: 836118001
Priority #: 6

Fixed Asset Name: Lift Station Pump Replacement

Fixed Asset Description: Lift Station Pump Replacement

Justification for Purchase: We currently operate 117 lift stations with two (2) or three (3) pumps per station in an extremely harsh environment. Pumps require upgrading due to community growth and the harsh conditions.

Alternatives: None that is deemed practical due to public health concerns and State, Federal, and Local regulations.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 30,000**	**$ 30,000**	**$ 30,000**	**$ 30,000**	**$ 30,000**	**$ 150,000**

Anticipated Purchase Date: 10/1/2018 **Project Manager:** 5845 - Mark Kobbe

Purchase Required By: R&R **Class ID:** **8361 - STRUCTURES & IMPR. - LIFT STA.**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	6	$ 5,000	$ 30,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 30,000

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	-
Additions	-
Total	-

Proposed Funding Sources:	
Rates	$ 30,000
Other (describe)	-
Total	$ 30,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
84 - Wastewater Collection

Request #: FA - 2
Fixed Asset #: 839218002
Priority #: 7

Fixed Asset Name: 1 Ton Pickup Truck

Fixed Asset Description: Service Truck & Equip

Justification for Purchase: FY-18 replace 2 service trucks, FY-19 replace 1 boom truck, FY-20 replace 1 service truck, FY-21 replace one boom truck, FY-22 replace 1 service truck

Alternatives: Do not replace and it will lessen FPUA's ability to continue providing quality service in a timely manner to customers.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	**$ 70,000**	**$ 100,000**	**$ 30,000**	**$ 100,000**	**$ 30,000**	**$ 330,000**

Anticipated Purchase Date: 10/1/2018 **Project Manager:** 5845 - Mark Kobbe

Purchase Required By: Efficiency/Safety **Class ID:** **8392 - VEHICLES**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	2	$ 35,000	70,000
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ 70,000

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	2
Additions	-
Total	2

Proposed Funding Sources:	
Rates	$ 70,000
Other (describe)	-
Total	$ 70,000

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**
21-374	GMC 1 TON UTILITY GDJC34U32E299981	2002/124,810	Fair	$3,251.00	Auction
21-376	GMC 1 TON UTILITY GDJC34U82E277944	2002/153,000	Fair	$4,361.00	Auction

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
84 - Wastewater Collection

Request #: FA - 3
Fixed Asset #:
Priority #: 0

Fixed Asset Name: L.S. "A" Pump Replacement

Fixed Asset Description: L.S. "A" Pump Replacement

Justification for Purchase: In order to provide redundancy in reliability in the most critical lift station of FPUA

Alternatives: None that is deemed practical due to public health concerns and State, Federal, and Local regulations.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ -	$ -	$ 100,000	$ -	$ 100,000

Anticipated Purchase Date: 10/1/2018 **Project Manager:** 5845 - Mark Kobbe

Purchase Required By: Reliability **Class ID:** **8363 - ELECTRIC PUMPING EQUIPMENT**

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	-
Additions	-
Total	-

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Fixed Asset
84 - Wastewater Collection

Request #: FA - 4
Fixed Asset #:
Priority #: 0

Fixed Asset Name: Dry Prime By-pass Pump

Fixed Asset Description: Dry Prime By-pass Pump

Justification for Purchase: Emergency By-pass pumping of lift stations.

Alternatives: No practical alternatives in maintaining reliability.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Total Proposed Costs:	$ -	$ 30,000	$ -	$ -	$ -	$ 30,000

Anticipated Purchase Date: 10/1/2018 **Project Manager:** 5845 - Mark Kobbe

Purchase Required By: Reliability **Class ID:** 8365 - OTHER PUMPING EQUIPMENT

FY 2018 COST BREAKDOWN			
Cost Estimate:	**Quantity**	**Per Unit**	**Total Cost**
Purchase Price	-	$ -	$ -
Delivery	-	-	-
Installation	-	-	-
Trade-In	-	-	-
Other	-	-	-
Totals			$ -

Areas:	
Scheduled Replacement	
Replace Obsolete Equipment	
Replace Worn Out Equipment	x
Reduce Personnel Time	
Expand Service	
Other	
New Operation	
Improve Operations	

Quantity	
Replacements	-
Additions	-
Total	-

Proposed Funding Sources:	
Rates	$ -
Other (describe)	-
Total	$ -

ASSET(S) TO BE REPLACED					
FPUA Asset Number	**Description/Serial Number**	**Mileage / Age**	**Asset Condition**	**FY 2016 Maint. Cost**	**Recommended Disposition**

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
84 - Wastewater Collection

Project Title: Telemetry & Controls

Request #: 1
Project #: 801
Priority #: 8
Project Type: BLKT

Description of Project: New installations and upgrades to SCADA

Location: Lift Station

Justification: New Lift Stations coming on-line due to development and upgrades to existing equipment.

Alternatives: Manually check all lift stations and physically operate in emergencies. This would require additional personnel to be hired, as well as excessive time.

Describe any site preparation or removal of existing assets: None

Impact to operating income: If this project was not completed proactively the cost would be doubled.

Anticipated start date: 10/1/2017

Anticipated completion date: On-going

Project Manager: 5845 - Mark Kobbe

Purchase Required By: FDEP

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8363 - ELECTRIC PUMPING EQUIPMENT (Lift Stations	50,000	50,000	50,000	50,000	50,000	250,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	50,000	50,000	50,000	50,000	50,000	250,000

Actual Amount Spent 10/1/16- 3/31/17	8,005

Inception through 9/30/16	6,903
Estimated Cost for FY 2017	50,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	56,903

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	50,000	50,000	50,000	50,000	50,000	250,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	50,000	50,000	50,000	50,000	50,000	250,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
84 - Wastewater Collection

Project Title: Lift Station Improvements

Request #: 2
Project #: 802
Priority #: 5
Project Type: BLKT

Description of Project: Rebuild and/or renovate wastewater lift stations based on asset review prioritization data.

Location: Lift Stations

Justification: Upgrade substandard or deteriorated lift stations.

Alternatives: Allow lift stations to continue to deteriorate and accept the high maintenance costs, poor service quality, decreased reliablility and high future replacement costs.

Describe any site preparation or removal of existing assets: Remove old pumps and equipment.

Impact to operating income: If this project was not completed proactively the cost would be doubled.

Anticipated start date: 10/1/2017

Anticipated completion date: On-going

Project Manager: 5845 - Mark Kobbe

Purchase Required By: FDEP

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8361 - STRUCT & IMPRVMT (Lift Stations)	100,000	100,000	100,000	100,000	100,000	500,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	100,000	100,000	100,000	100,000	100,000	500,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	101
Estimated Cost for FY 2017	100,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	100,101

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	100,000	100,000	100,000	100,000	100,000	500,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	100,000	100,000	100,000	100,000	100,000	500,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
84 - Wastewater Collection

Project Title: Mains and Laterals R&R

Request #: 3
Project #: 805
Priority #: 1
Project Type: BLKT

Description of Project: Replace defective, deteriorated or failing gravity sewer mains and laterals.

Location: Service area

Justification: Due to the age and deteriorated condition of the clay pipe infrastructure, failure rates and service interruptions frequently occur. This has a negative effect on the quality and reliablity of service to our customers.

Alternatives: Do nothing and accept increased complaints, liability for road damage by collapses and highter future replacement costs. These are not practical alternatives, as they have a negative effect on FPUA's reputation and present potentially serious safety hazards for the traveling public.

Describe any site preparation or removal of existing assets: Remove damaged mains and laterals.

Impact to operating income: If this project was not completed proactively and emergency repairs were required FPUA could expect a 300% increase.

Anticipated start date: 10/1/2017

Anticipated completion date: On-going

Project Manager: 5845 - Mark Kobbe

Purchase Required By: FDEP

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	250,000	250,000	250,000	250,000	250,000	1,250,000
8353 - SERVICE LINES (Wastewater Collections)	125,000	125,000	125,000	125,000	125,000	625,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	375,000	375,000	375,000	375,000	375,000	1,875,000

Actual Amount Spent 10/1/16- 3/31/17	70,624

Inception through 9/30/16	253,383
Estimated Cost for FY 2017	375,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	628,383

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	375,000	375,000	375,000	375,000	375,000	1,875,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	375,000	375,000	375,000	375,000	375,000	1,875,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
84 - Wastewater Collection

Project Title: Lift Station Control Panels

Request #: 4
Project #: 806
Priority #: 2
Project Type: BLKT

Description of Project: Replace deteriorated or substandard lift station control panels based on item assessment and prioritization.

Location: Service area

Justification: Upgrade substandard or deteriorated control panels to prevent equipment failure resulting in sanitary sewer overflows.

Alternatives: Allow lift station control panels to continue to deteriorate and accept higher maintenance costs, poor service, decreased reliability and high future replacement costs.

Describe any site preparation or removal of existing assets: Removal of old control panels and wiring.

Impact to operating income: If this project was not completed proactively and emergency repairs were required FPUA could expect a 100% increase.

Anticipated start date: 10/1/2017

Anticipated completion date: On-going

Project Manager: 5845 - Mark Kobbe

Purchase Required By: FDEP

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8363 - ELECTRIC PUMPING EQUIPMENT (Lift Stations	50,000	50,000	50,000	50,000	50,000	250,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	50,000	50,000	50,000	50,000	50,000	250,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	50,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	50,000

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	50,000	50,000	50,000	50,000	50,000	250,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	50,000	50,000	50,000	50,000	50,000	250,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
84 - Wastewater Collection

Project Title: Wastewater Main Lining

Request #: 5
Project #: 815
Priority #: 3
Project Type: BLKT

Description of Project: Wastewater Main Lining

Location: Service area

Justification: Rehabilitation of damaged clay gravity mains by insertion of a lining material, which seals leaks at joints and pipe wall cracks. In most cases, this is a more cost effective repair method than excavating for replacements, which requires expensive road restoration.

Alternatives: Do nothing and accept increased complaints, liability for road damage by collapses and higher future replacement costs. These are not practical alternatives, as they have a negative effect on FPUA's reputation and present potentially serious safety hazards for the traveling public.

Describe any site preparation or removal of existing assets: None

Impact to operating income: If this project was not completed proactively and emergency repairs were required FPUA could expect a 300% increase.

Anticipated start date: 10/1/2017

Anticipated completion date: On-going

Project Manager: 5845 - Mark Kobbe

Purchase Required By: FDEP

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	450,000	450,000	450,000	450,000	450,000	2,250,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	450,000	450,000	450,000	450,000	450,000	2,250,000

Actual Amount Spent 10/1/16- 3/31/17	4,582

Inception through 9/30/16	417,151
Estimated Cost for FY 2017	450,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	867,151

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	450,000	450,000	450,000	450,000	450,000	2,250,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	450,000	450,000	450,000	450,000	450,000	2,250,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
84 - Wastewater Collection

Project Title: Manhole Rehabilitation

Request #: 6
Project #: 816
Priority #: 4
Project Type: BLKT

Description of Project: Rehabilitation of damaged and deteriorated sanitary sewer manholes.

Location: Service area

Justification: Rehabilitation of damaged brick manholes by performing structural repairs, which eliminates infiltration and further deterioration of the manhole.

Alternatives: Do nothing and accept increased complaints, liability for road damage by collapses and higher future replacement costs. These are not practical alternatives, as they have a negative effect on FPUA's reputation and present serious safety hazards for the traveling public.

Describe any site preparation or removal of existing assets: None

Impact to operating income: If this project was not completed proactively and emergency repairs were required FPUA could expect a 200% increase.

Anticipated start date: 10/1/2017

Anticipated completion date: On-going

Project Manager: 5845 - Mark Kobbe

Purchase Required By: FDEP

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
8352 - MAINS (Wastewater Collections)	100,000	100,000	100,000	100,000	100,000	500,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	100,000	100,000	100,000	100,000	100,000	500,000

Actual Amount Spent 10/1/16- 3/31/17	27,480

Inception through 9/30/16	73,887
Estimated Cost for FY 2017	100,000
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	173,887

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	100,000	100,000	100,000	100,000	100,000	500,000
Contribution-in-Aid	-	-	-	-	-	-
Capital Improvement Charges	-	-	-	-	-	-
Total	100,000	100,000	100,000	100,000	100,000	500,000

FORT PIERCE UTILITIES AUTHORITY
Capital Budget Request - Summary Sheet
FY 2018

Department Name: 93 - FPUAnet Communications

Request Number	Project Title or Asset Name	Projected Costs						
		Est. Total Through 9/30/2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
1	FPUAnet Communication Services	136,309	99,000	110,000	124,000	139,000	155,000	627,000
2	FPUAnet Wireless Communication	27,400	36,000	40,000	45,000	50,000	56,000	227,000
3	FPUAnet Regional Connections	89,400	68,000	34,000	9,000	9,000	18,000	138,000
4	FPUAnet Communications - IRC	20,100	10,000	11,000	11,000	9,000	5,000	46,000
5	FPUAnet Communications - MC	20,100	10,000	11,000	11,000	9,000	5,000	46,000
6	FPUAnet Communications to FLR	16,500	16,000	18,000	-	-	-	34,000
Total		309,809	239,000	224,000	200,000	216,000	239,000	1,118,000

Request Number	Project Title or Asset Name	Priority Rating Area							
		I	II	III	IV	V	VI	Total Points	Dept. Head Rating
1	FPUAnet Communication Services		10	8	6		6	30	1
2	FPUAnet Wireless Communication		10	8	6		6	30	5
3	FPUAnet Regional Connections		10	8	6		6	30	2
4	FPUAnet Communications - IRC		10	8	6		4	28	3
5	FPUAnet Communications - MC		10	8	6		4	28	4
6	FPUAnet Communications to FLR		10	8	6		6	30	6

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total 5 Years FY 2018-22
Rates	210,000	198,000	176,000	192,000	213,000	989,000
Contribution-in-Aid	29,000	26,000	24,000	24,000	26,000	129,000
Capital Improvement Charges	-	-	-	-	-	-
Total	239,000	224,000	200,000	216,000	239,000	1,118,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
93 - FPUAnet Communications

Project Title: FPUAnet Communication Services

Request #: 1
Project #: 914
Priority #: 1
Project Type: BLKT

Description of Project: Installations and networking to provide FPUAnet Communications services to external customers.

Location: FPUAnet Service Territory

Justification: Enhance economic development, increase revenue for FPUA and the City of Fort Pierce, and help improve utility rates. FPUA investment is generally recovered within one to ten years.

Alternatives: Deny new FPUAnet Communications services to customers. This would reduce the benefits of new services, including improved economic development, additional revenue and improved utility rates.

Describe any site preparation or removal of existing assets: None

Impact to operating income: Each new service in this project is evaluated and priced to produce an average of $3,150 positive net operating income annually.

Anticipated start date: Ongoing

Anticipated completion date: Ongoing

Project Manager: 6146 - Don Landin

Purchase Required By: Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
9366 - UNDERGROUND CONDUIT	10,000	10,000	10,000	15,000	15,000	60,000
9375 - FIBER OPTIC CABLE	79,000	90,000	104,000	109,000	125,000	507,000
9397 - COMMUNICATION EQUIPMENT	10,000	10,000	10,000	15,000	15,000	60,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
						-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	99,000	110,000	124,000	139,000	155,000	627,000

Actual Amount Spent 10/1/16- 3/31/17	12,272

Inception through 9/30/16	14,509
Estimated Cost for FY 2017	121,800
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	136,309

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	89,000	99,000	112,000	125,000	139,000	564,000
Contribution-in-Aid	10,000	11,000	12,000	14,000	16,000	63,000
Capital Improvement Charges						-
Total	99,000	110,000	124,000	139,000	155,000	627,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
93 - FPUAnet Communications

Project Title: FPUAnet Wireless Communication

Request #: 2
Project #: 916
Priority #: 5
Project Type: BLKT

Description of Project: Wireless network extensions to provide FPUAnet Communications services to external customers.

Location: FPUAnet Service Territory

Justification: Enhance economic development, increase revenue for FPUA and the City of Fort Pierce, and help improve utility rates. FPUA investment is generally recovered within one to ten years.

Alternatives: Deny new FPUAnet Communications services to customers. This would reduce the benefits of new services, including improved economic development, additional revenue and improved utility rates.

Describe any site preparation or removal of existing assets: None

Impact to operating income: Each new service in this project is evaluated and priced to produce an average of $2,950 positive net operating income annually.

Anticipated start date: Ongoing

Anticipated completion date: Ongoing

Project Manager: 6146 - Don Landin

Purchase Required By: Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
9366 - UNDERGROUND CONDUIT	2,000	2,000	2,500	2,500	3,000	12,000
9375 - FIBER OPTIC CABLE	2,000	2,000	2,500	2,500	3,000	12,000
9397 - COMMUNICATION EQUIPMENT	32,000	36,000	40,000	45,000	50,000	203,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
						-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	36,000	40,000	45,000	50,000	56,000	227,000

Actual Amount Spent 10/1/16- 3/31/17	10,770

Inception through 9/30/16	6,300
Estimated Cost for FY 2017	21,100
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	27,400

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	32,000	36,000	40,000	45,000	50,000	203,000
Contribution-in-Aid	4,000	4,000	5,000	5,000	6,000	24,000
Capital Improvement Charges	-	-	-	-	-	-
Total	36,000	40,000	45,000	50,000	56,000	227,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
93 - FPUAnet Communications

Project Title: FPUAnet Regional Connections

Request #: 3
Project #: 917
Priority #: 2
Project Type: BLKT

Description of Project: Interconnect the FPUA network with other local governmental networks, such as Martin, Indian River and Palm Beach counties. Expands the reach of new FPUAnet services beyond FPUA's network.

Location: Indian River, Saint Lucie, Martin, Palm Beach, and Okeechobee Counties

Justification: Enhance regional economic development, increase revenue for FPUA, and help improve utility rates. FPUA investment is generally recovered within three to five years.

Alternatives: Deny these new FPUAnet Communications services to customers. This would reduce the benefits of new services, including improved regional economic development, additional revenue and improved utility rates.

Describe any site preparation or removal of existing assets: None

Impact to operating income: This project is expected to increase operating income by over $54,000 annually through cost savings.

Anticipated start date: Ongoing

Anticipated completion date: Ongoing

Project Manager: 6146 - Don Landin

Purchase Required By: Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
9366 - UNDERGROUND CONDUIT	20,000	9,000	1,000	1,000	5,000	36,000
9375 - FIBER OPTIC CABLE	42,000	22,000	7,000	7,000	10,000	88,000
9397 - COMMUNICATION EQUIPMENT	6,000	3,000	1,000	1,000	3,000	14,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
						-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	68,000	34,000	9,000	9,000	18,000	138,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	89,400
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	89,400

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	61,000	31,000	8,000	8,000	16,000	124,000
Contribution-in-Aid	7,000	3,000	1,000	1,000	2,000	14,000
Capital Improvement Charges	-	-	-	-	-	-
Total	68,000	34,000	9,000	9,000	18,000	138,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
93 - FPUAnet Communications

Project Title: FPUAnet Communications - IRC

Request #: 4
Project #: 918
Priority #: 3
Project Type: BLKT

Description of Project: Installations and networking to provide FPUAnet Communications services to external customers through the communications infrastructure of the Indian River County fiber optic Consortium.

Location: Indian River County

Justification: Enhance Regional economic development, increase revenue for FPUA, and help improve utility rates. FPUA investment is generally recovered within three to five years.

Alternatives: Deny these new FPUAnet Communications services to customers. This would reduce the benefits of new services , including improved economic development, additional revenue and improved utility rates

Describe any site preparation or removal of existing assets: None

Impact to operating income: Each new service in this project is evaluated and priced to produce an average of $3,150 positive net operating income annually.

Anticipated start date: 10/1/2017 **Anticipated completion date:** Ongoing

Project Manager: 6146 - Don Landin **Purchase Required By:** Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
9366 - UNDERGROUND CONDUIT	1,000	1,000	1,000	1,000	1,000	5,000
9375 - FIBER OPTIC CABLE	8,000	9,000	9,000	7,000	3,000	36,000
9397 - COMMUNICATION EQUIPMENT	1,000	1,000	1,000	1,000	1,000	5,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
						-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	11,000	11,000	9,000	5,000	46,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	20,100
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	20,100

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	7,000	8,000	8,000	7,000	4,000	34,000
Contribution-in-Aid	3,000	3,000	3,000	2,000	1,000	12,000
Capital Improvement Charges						-
Total	10,000	11,000	11,000	9,000	5,000	46,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
93 - FPUAnet Communications

Project Title: FPUAnet Communications - MC

Request #: 5
Project #: 919
Priority #: 4
Project Type: BLKT

Description of Project: Installations and networking to provide FPUAnet Communications services to external customers through the communications infrastructure of Martin County BOCC

Location: Martin County

Justification: Enhance Regional economic development, increase revenue for FPUA, and help improve utility rates. FPUA investment is generally recovered within three to five years.

Alternatives: Deny these new FPUAnet Communications services to customers. This would reduce the benefits of new services , including improved economic development, additional revenue and improved utility rates

Describe any site preparation or removal of existing assets: None

Impact to operating income: Each new service in this project is evaluated and priced to produce an average of $3,150 positive net operating income annually.

Anticipated start date: 10/1/2017 **Anticipated completion date:** Ongoing

Project Manager: 6146 - Don Landin **Purchase Required By:** Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
9366 - UNDERGROUND CONDUIT	1,000	1,000	1,000	1,000	1,000	5,000
9375 - FIBER OPTIC CABLE	8,000	9,000	9,000	7,000	3,000	36,000
9397 - COMMUNICATION EQUIPMENT	1,000	1,000	1,000	1,000	1,000	5,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
						-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	10,000	11,000	11,000	9,000	5,000	46,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	20,100
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	20,100

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	7,000	8,000	8,000	7,000	4,000	34,000
Contribution-in-Aid	3,000	3,000	3,000	2,000	1,000	12,000
Capital Improvement Charges	-	-	-	-	-	-
Total	10,000	11,000	11,000	9,000	5,000	46,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
93 - FPUAnet Communications

Project Title: FPUAnet Communications to FLR

Request #: 6
Project #: 977
Priority #: 6
Project Type: STD

Description of Project: Connect to Florida LambdaRail (FLR) at a minimum of one Point of Presence (POP), to purchase for resale to Education, Research, and Government Internet, Internet2, as well as domestic and international Transport services

Location: Fort Pierce, Stuart, and Jacksonville or Orlando via inter-local resource sharing agreement(s).

Justification: Expand services offering to new and existing FPUAnet customers, by reselling connectivity to customers' national and international partners.

Alternatives: No practical alternative has been found for connecting education and research institutions nationally and internationally.

Describe any site preparation or removal of existing assets: None

Impact to operating income: Expanded capability to provide new services will increase operating income.

Anticipated start date: 10/1/2017 **Anticipated completion date:** 9/30/2019

Project Manager: 6146 - Don Landin **Purchase Required By:** Growth

Contract Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
9366 - UNDERGROUND CONDUIT	1,000	1,000	-	-	-	2,000
9375 - FIBER OPTIC CABLE	1,000	1,000	-	-	-	2,000
9397 - COMMUNICATION EQUIPMENT	14,000	16,000	-	-	-	30,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
			-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	16,000	18,000	-	-	-	34,000

Actual Amount Spent 10/1/16- 3/31/17	-

Inception through 9/30/16	-
Estimated Cost for FY 2017	16,500
Est. FY 2017 Budget Carryover	-
Estimated Total Through 9/30/17	16,500

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Rates	14,000	16,000	-	-	-	30,000
Contribution-in-Aid	2,000	2,000	-	-	-	4,000
Capital Improvement Charges	-	-	-	-	-	-
Total	16,000	18,000	-	-	-	34,000

FORT PIERCE UTILITIES AUTHORITY
FY 2018 Capital Budget Request - Project
21 - Finance

Proposed Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total FY 2018-2022
Carryover	2,000,000	-	-	-	-	2,000,000
Contingencies	500,000	-	-	-	-	500,000
Total	2,500,000	-	-	-	-	2,500,000

Charter Review Commission **5.a.**

Meeting Date: 10/18/2017

Re:

SUBJECT:

Preparation of Agenda for Public Input Meeting on October 24, 2017 at 6:30 p.m.

Attachments

Draft Agenda

DRAFT AGENDA

PUBLIC INPUT MEETING

October 24, 2017 at 6:30 p.m.

Call to Order

Roll Call

Overview of Limited Charter Review Committee Scope of Review – Chairman Ben Bryan

- Attach Resolution 17-R17 Establishing Committee

Comments from the Public (5 minutes per person)

Adjournment