

MINUTES OF A SPECIAL JOINT MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE AND THE ST. LUCIE COUNTY BOARD OF COUNTY COMMISSIONERS, AND THE FORT PIERCE UTILITIES AUTHORITY BOARD, HELD IN THE ST. LUCIE COUNTY COMMISSION CHAMBERS, 2300 VIRGINIA AVENUE, FORT PIERCE, FLORIDA, AT 2:00 P.M. ON MONDAY, AUGUST 8, 2005.

Chairperson Frannie Hutchinson, Mayor Robert Benton, and Chairman Darrell Drummond called the meeting to order at 2:10 p.m.

Upon Roll Call, those present for the Fort Pierce City Commission were: Mayor Robert J. Benton; City Commissioners Edward Becht and R. Duke Nelson; City Manager Dennis Beach; City Attorney Robert Schwerer; and City Clerk Cassandra Steele. Those absent: Commissioner Alexander and Commissioner Coke. (Commissioner Coke arrived at 2:20 p.m.)

Upon Roll Call, those present for the St. Lucie County Board of County Commissioners were: Chairperson Frannie Hutchinson; County Commissioners Doug Coward, Chris Craft, Paula Lewis, and Joseph Smith; County Administrator Douglas Anderson; and County Attorney Daniel McIntyre. Those absent: None.

Upon Roll Call, those present for the Fort Pierce Utilities Authority Board were: Chairman Darrell J. Drummond; Vice Chairman Robert W. Summerhays; Secretary Louis I. Haynes; Deputy Secretary Thomas K. Perona; Mayor Robert J. Benton; Executive Director Elie J. Boudreaux; and Utilities Authority Attorney Rupert Koblegard. Those absent: None.

The purpose of the Special Joint Meeting was Conflict Resolution - Discussion of Utility Issues, Identification of Conflict Issues, Discussion and Assessment of Issues, and Discussion of any Tentative Resolution.

County Chairperson Hutchinson said she welcomes the City of Fort Pierce, the Fort Pierce Utilities Authority, and the Board of County Commissioners. They do appreciate everyone being here. She will turn the meeting over to Mayor Benton for discussion of the utility issues.

Mayor Robert Benton said he is going to turn this over to Mr. Boudreaux.

Mr. Elie Boudreaux, Director of Fort Pierce Utilities Authority, said he will just give them a bit of history. In February 2004, which is the date of the Interlocal Agreement for water and wastewater, there was a contract between three parties - and he emphasizes the word contract - each of whom gave up something to get something in return. St. Lucie County received a guarantee of water and wastewater services and the County got relief from some pressure from developers for providing services that were previously unavailable to them. The County agreed to not construct additional capacity with the exception of giving a five year notice. The County was required to pay for the services and the County received a specified service area. FPUA gave up revenue from the Airport, which was a result of an immediate reduction in water revenue at the airport. They agreed to immediately begin the structured reduction of water rate on North Hutchinson Island. It was a five year period and the first reduction takes effect February 2006. They agreed to sell their water system on South Hutchinson Island south of the Nuclear Plant to the County whenever revenues offset lost revenue from the south part of Hutchinson Island. The FPUA gave up a future service area, Area B, which was dedicated to the County. The FPUA is now referring developers in that area that come to them to the County for service. And FPUA

gained wholesale water and wastewater customers via the agreement.

The City of Fort Pierce gave up Area B for future annexation for all practical purposes. They received enhanced revenue for FPUA, which some of that directly flows to the City and also improves the rate structure for City customers, rates go down when they have a larger customer base. By terms of the agreement, St. Lucie County would provide the FPUA with certain flow projections for planning purposes. Mr. Bowers letter of February 22, 2005 details how the County plans to violate the agreement and also that included a spreadsheet showing projections of water and wastewater flow that the U.A. was going to get. What was missing from that was flows from Waterstone, Oakland Estates, Coconut Cove, and Creekside. If they refer to his letter of May 16th to Mr. Douglas Anderson, it gives a detail of the deficiencies that the County needed to correct to stay in compliance with the agreement. They have had probably no less than six meetings with County staff, FPUA staff, and in some cases City staff, in an attempt to resolve the issues.

Each time they met, the County raised new issues in several attempts to obfuscate the issues. He will give them an example. Suddenly reclaimed water became the driving mechanism for wanting to change the agreement. They had to drag the South Florida Water Management District, its staff and director, into this with plans for regionalization. And in his most recent letter, Mr. Anderson outlined how he thought the FPUA should pay for improvements needed to serve the County customers. They have never been quite sure of what was the reason for the County's reluctance to live up to this agreement. If it is rates, nobody said it was rates. He wants to remind the parties here that the rates that are in the contract in the agreement were developed and given to them by County staff. The water rate is \$1.90 for a thousand gallons was as a result of a bogus offer by Port St. Lucie to sell water to the County to resell to Indian River Estates. The County required the FPUA to match that rate for Indian River Estates and that was subsequently extended to Area B. The wastewater rate was originally proposed to the FPUA by the County at \$4.90. Again, the County proposed that to them and they agreed to it. The County came back later and asked if FPUA would reduce that by \$.30 to \$4.60 a thousand and they agreed to that. Later in the June, July, and August time frame of last year, the FPUA offered to renegotiate water and wastewater rates. But when they want to renegotiate something, they can't expect somebody to give up something without receiving something. And those discussions went nowhere. The FPUA proposed to reduce the wastewater rates to \$3.60 per thousand and increase the water rates to \$2.25 per thousand and what they wanted in exchange was an agreement for a 15-year guaranteed contract with the County. That went nowhere. A summary of the FPUA's position included in his May 16th letter to Mr. Anderson. In that letter he said that the FPUA was not interested in renegotiating the contract. It was negotiated in good faith on the part of FPUA and the City close to two years ago now. If the rates are an issue, then FPUA is ready, willing, and able to renegotiate rates. But again, the FPUA will not give up something without getting something. The basis of the agreement says that the County will not expand or construct additional water or wastewater capacity per the agreement except after giving the FPUA a five year notice to do so. He thinks it was in May of this year they did receive a five year notice from the County to construct new facilities. The FPUA has no intention of allowing the County to circumvent in an end run or otherwise violate the agreement. The FPUA is interested in going ahead with the agreement they have. As he said, they will agree to renegotiate rates if that is what the problem is. But otherwise, this is a contract. The FPUA has already given up

money, they reduced the water rates to the airport immediately upon signing of this agreement. And beginning next February, water rates on North Hutchinson Island get reduced; and eventually that will be reduced down to the bulk rate obtained in the contract. He is going to specify that a contract is a legal document. It is a business agreement. It can be made to be a political football, but at the end of the day it is a business contract. He feels confident that the U.A. has a reputation of living up to agreements and they will not vary from that reputation. That concludes his remarks. He would be happy to try to answer any questions. This has been going on for a year and a half. There are probably ten pounds of letters flowed back and forth between the County and the FPUA. He has most of the documentation here that he would be happy to verify.

County Commissioner Craft said Mr. Boudreaux made a comment that the City gave up any opportunity to annex outside of Area A, which would be Area B. That is not exactly how it is. They just can't use the water to leverage the annexation.

FPUA Director Boudreaux said that is true. Someone could voluntarily annex for another reason who lives in Area B. But the primary vehicle for annexing property into the City has been for 30 years the water and wastewater utilities.

County Commissioner Smith said Mr. Boudreaux mentioned the five year notice that the County provide. His interpretation or his staff's interpretation of the five years, how do they read that? He doesn't want to lead him as far as... He thinks Mr. Boudreaux knows what he is trying to say, that the County provided notice earlier this year saying the County will probably continue along the path to prepare facilities. But does he read that differently than the County does?

FPUA Director Boudreaux said the way it reads is, the County is required to give the FPUA a five year notice prior to constructing new capacities, new facilities - not beginning to use the facilities, but to construct it facilities. Constructing, he thinks they would probably find in the dictionary, means turning over shovels of dirt and bringing something out of the ground. And that is the way they interpret that.

County Commissioner Craft asked Mr. Boudreaux has a list of things that the County is not in compliance with as far as their contract? Of that list, where does the County sit today as far as those issues not being resolved? Which ones are still outlying?

FPUA Director Boudreaux said probably the main one is, the last flow projection they received was he thinks early this year in the February time frame,. It said they weren't going to receive anything but part of Portofino and one other subdivision.

County Commissioner Craft asked did he say receive? Are they just talking wastewater or are they talking potable water?

FPUA Director Boudreaux said that is talking about wastewater and water. He believes that is the case. He doesn't have the list in front of him. But his point is that the list is incomplete because there are many subdivisions - he listed them earlier - that should have been on there that were not.

County Commissioner Craft asked is it appropriate to ask questions

now of County staff or are they going to let them speak first? County Chairperson Hutchinson said what she would suggest they do is go ahead and give them an opportunity for each representative at staff level and then they will bring it to Commission discussion.

Mayor Benton said he has Mr. Boudreaux's letter dated June 15th where he has five items. It says basically the County would have to comply with the Bulk Water Agreement. Is that added to this? This says oversizing of the proposed 12-inch force main on Orange Avenue between the Turnpike and Kings Highway to receive County bulk wastewater.

FPUA Director Boudreaux said what that is all about, there is a construction project which is going to begin very soon to construct the 12-inch force main on Orange Avenue. The County was offered a chance to oversize that so they could put flow into that line from anywhere between Okeechobee Road and Orange Avenue. The County declined, meaning that they never planned to use that line, that they were going to do something else with the flows in that area.

Mayor Benton asked would these be additional items?

FPUA Director Boudreaux asked in addition to what?

Mayor Benton said to the ones... The five items in this May 16th memo, there are five more here like the completion of 16-inch U.S. 1 force main from the north side of Taylor Creek to Lift Station A.

FPUA Director Boudreaux said he thinks that was a comprehensive list, then.

County Chairperson Hutchinson said just to clarify, she knows they will go ahead and go through each item on each side. But if they have additional information, she thinks some of them have some letters and might be missing others. As mentioned, there were a lot of letters going back and forth. In order for them to clarify what the real issues are and where the discrepancies may lie, is it possible to get the specific letter that Mayor Benton was referencing if those are the two that have all the issues listed on them, get copies for all of the boards while they are here.

FPUA Director Boudreaux said he has copies of that particular letter. He has copies of many letters with him. He would be happy to provide that letter to them for making copies.

County Chairperson Hutchinson said it is not just her, she thinks everyone sitting up here needs to have a copy before the discussions can go further.

County Administrator Anderson said Fay Outlaw (Assistant County Administrator) will get copies run.

County Chairperson Hutchinson asked did the City of Fort Pierce have a representative they want to add to this?

Mayor Benton asked does Mr. Beach or Mr. Schwerer have anything they would like to add to this discussion?

City Manager Beach said he thinks Mr. Boudreaux outlined one of the issues that they have expressed concern about; and that is, giving up of the annexation ability outside of their service area. He doesn't know if Mr. Schwerer has additional items that should be

brought to their attention or not.

City Attorney Schwerer said he is going to withhold comments on those technical issues that Mr. Boudreaux raised as his synopsis of the County's breach of the Agreement and focus strictly on the overall global concept that was entered into between the City and the County in the Interlocal Agreement. Because the City is party to the Interlocal Agreement; and their City Commission, for a lack of a better phrase, had to bless the Bulk Water Agreement to service the County residents. But in a nutshell from the City's perspective, they support the Utilities Authority with respect to what they believe is a breach of the Agreement; because at the time, the City did agree to limit what would in essence become for practical purposes, not for legal purposes but for practical purposes, the future City limits of the City of Fort Pierce, because that was the only way they had to attract development to the City was to have that annexed when they became contiguous upon receiving water. But what the City gave up in that process and why it is important that the Interlocal Agreement be followed by all of the parties and why it is important that the Bulk Water Agreement be followed by all the parties, at least from the City's perspective, is that they tentatively agreed to some annexation issues within the box which was Area A, but they also agreed to defer any annexation of the airport properties, they agreed to a different process for annexation of Indian River Estates. They normally would not have agreed to that. To get a resolution to that issue they would have insisted that the policy prevail, but the City allowed a polling and a different process. The most important thing he can say is that they agreed to simply not annex beyond those boundaries. And with respect to revenues, the City gets a substantial amount of revenues from the Utilities Authority.

And it was believed at least by the City at the time that allowing the Utilities Authority to reduce rates immediately to the airport, which was contrary to the City's best interest, reduce rates to North Beach over a perspective time, give up certain rights to South Beach and the system that is on there, that the future revenues that the Utilities Authority would be getting from being the exclusive bulk provider outside the area would make up for some of that, so that the City could do certain things with respect to its future planning of the Island plant and some other land areas within the City. That is really it from a global standpoint. And he doesn't know if any Commissioner from the City's standpoint has any input. But that from a global standpoint, as he understands it, is the City's interest in that Interlocal Agreement.

Mayor Benton said just so the public knows how they go through this process with Conflict Resolution. They have some issues and they are trying to straighten them out. But City staff has met several times with the U.A. staff and the County staff without the elected officials there. So they don't know everything that was discussed and all the little details, so they are at a little bit of a disadvantage up here because they weren't familiar with those meetings other than if they ask questions. So that everyone knows, the Commissioners don't know everything, so they are here listening and learning also.

FPUA Chairperson Drummond said if he could follow up on the Mayor, that is very much where he would like to get a little clarification. Given that staff has had an opportunity to meet as part of the Conflict Resolution process, can staff suggest whether or not there was any movement that was positive or whether or not there were a few sticking points that might be shared at this point?

County Chairperson Hutchinson said Mr. Drummond having asked that question, if they could allow the City... Are they finished with their additional comments?

Mayor Benton said unless any of the Commissioners have anything they would like to say.

County Chairperson Hutchinson said then she will ask Mr. Anderson, representing the County, if he wants to give his comments as to where they are.

County Administrator Anderson said the County has put together a proposal for a settlement contingent upon the Board of County Commissioners approval to be sent to the City of Fort Pierce and the Fort Pierce Utilities Authority. And so he doesn't get anything wrong here, he is going to read the three step proposal they put together. Number One, the County will withdraw its 5-year notice for the following water treatment facilities, not wastewater but water treatment facilities, and continue to obtain water capacity from the Fort Pierce Utilities Authority for the Fairgrounds Water Treatment Facility and the Holiday Pines/Airport Water Treatment Facility. He knows it has been a concern with the City of Fort Pierce and the U.A. that the County was looking at expanding their Holiday Pines water treatment facility. They are proposing on buying bulk water from the Fort Pierce Utilities Authority. He thinks that was a major issue for them. Number Two - this is another major issue that he knows Mr. Boudreaux and staff had with them - the County will jointly invest with the Fort Pierce Utilities Authority in the construction of the Fort Pierce Utilities Authority's central wastewater treatment facility which is going to be constructed down at the Selvitz Road area. Each party will have the right to reclaimed water generated at the new facility in proportion to the wastewater delivered to the facility from each party. He knows the Fort Pierce Utilities Authority needs their reclaimed wastewater to cool the future electric generating plant. But what they are saying here is that the wastewater that goes into the plant from the County would be sold back to the County as part of their reclaimed water to be served into areas that need reclaimed water. Since the timing of construction of the Fort Pierce Utilities Authority plant would not be sufficient to meet the County's near term development needs, the County would construct a temporary wastewater treatment plant at the FPUA's future plant site for use until the Fort Pierce Utilities Authority wastewater plant construction can be completed.

The temporary plant, whether it is a package plant or some other plant, would be taken off-line and its flows redirected to the new plant or hopefully would be integrated into the new permanent plant, which would give them a jump start on building their permanent wastewater plant. Number Three - and this is, as far as County staff is concerned, is the most important issue and this could either be the make it or break it in this proposal - the County would construct the first phase of a regional wastewater treatment plant with reclaimed water capability at the County's Airport site to serve all of the future wastewater utility customers in the County's northern service area. The Fort Pierce Utilities Authority would have a right to jointly invest in the development of this phase or subsequent phases of this regional facility if, as, and when the Fort Pierce Utilities Authority needed additional or replacement treatment for the northern areas of the Fort Pierce Utilities Authority's service territory. Reclaimed water generated at the facility would be prorated between

the parties based on the wastewater flow to the facility from each party. Since Fort Pierce Utilities Authority anticipated serving customers like Waterstone and Coconut Cove as previously mentioned, the County would consider the first phase of the facility to be a mutual undertaking with the FPUA; and the recently purchased land at the Airport by the Board of County Commissioners would be contributed by the County to common ownership of the Fort Pierce Utilities Authority. What this is in a nutshell is that, any new future flows in the north county would be directed to the new plant at the airport and not be directed to the plant on the island. Back in January of 2004 - he was there with a lot of them in this room - they shook hands and agreed that the County would do everything in its capability to work with the City of Fort Pierce and the FPUA to get that plant off the Causeway Island. The County is looking up to their end of the bargain, that is what they are attempting to do here. If the future wastewater flows for the north County flow to that plant, along with that flows their revenue stream; and the County would be unable to construct a plant at the airport and their flows would continue going to the Island plant. And that is not what they agreed upon. That is what this boils down to. With that he will open it up to any questions, but that is their proposal.

County Chairperson Hutchinson said now they will go back to the million dollar question that was asked by Mr. Drummond or Mayor Benton. Are there any points that have been mentioned from any staff member that they made headway on? She is sitting here looking at two letters with 10 if not 15 points when they add them all up. Was there any headway made - 10 points? On the FPUA side, have they gotten anywhere?

County Administrator Anderson said Dan McIntyre is here, Mr. Boudreaux is here, Staff is here, as is Dennis Beach. They did not make a lot of headway at those meetings. Subsequently, they put together this proposal which they really think is a compromise to the U.A.

City Manager Beach asked how does this proposal comply with the existing contract between the City, County, and FPUA?

County Administrator Anderson said they think it is in compliance. First of all, they are going to buy future bulk water from the City. That is number one. Number two, the County will partner with them at the Selvitz Road facility. And number three, it is their understanding that not only would they partner with the City and the U.A. to get that plant off the Island, they would also have reclaimed water for the north County. Some people say that is not a big issue or big deal to reclaim water in the north County; but with the County, it is. They have had meetings with the South Florida Water Management District and that is the trend of the future is reclaimed water, not sinking wells around the north County to provide irrigation water. So they think that this here brings them into compliance. That is their position.

FPUA Chairperson Drummond said something Mr. Anderson said during the presentation with regard to creating a facility at the airport.

Is he not to understand that the way they were able to enter into an agreement that they ultimately signed off on, was with the anticipation that the flows that would be coming from the north end of the County would be going into the facility out on the Island?

County Administrator Anderson said up to a certain point; and then

at a certain point the flows would start coming toward the new plant at the airport when the County was ready to proceed, so they would have a financial means of financing that plant. He would like to add one other thing. On that plant that they are proposing to build at the airport, if the Utilities Authority wishes to run that plant, the County has no problem with that, at least that is what staff would be recommending to the Commissioners. If the FPUA wants to run the plant, they are in this together. They talked about regionalization, which people don't really want to talk about. But this is really a big step. If FPUA wants to run that plant, the staff recommends to the Commissioners that they run it.

FPUA Chairperson Drummond said he thinks regionalization is something they all agreed upon, it was merger that County Commissioner Craft wasn't allowed to talk about. Maybe Mr. Boudreaux can help him here. Was there a level at which they suggested they would stop providing at the north end as it related to taking those flows to the Island?

FPUA Director Boudreaux said no. The agreement was predicated on the County would be a bulk wastewater customer of the FPUA until such time as the County gave them a five year notice to construct a capacity for themselves. There was no other stopping point other than that. If the County would not have given the FPUA a five year notice according to the terms of the agreement, they would be a bulk customer of the FPUA, he thinks, forever.

FPUA Chairperson Drummond asked they would be required to meet whatever demand the County would have at that end and make the improvements necessary to meet their needs?

FPUA Director Boudreaux said yes. Well, make the improvements to the treatment facilities. As far as the infrastructure, in terms of the relationship between the County and the U.A., the County assumes the role of a developer; and as such, developers are required to fund the infrastructure improvements needed to serve their particular development. In this process, the developer gets credits back for infrastructure that they put in, credits towards impact fees. That is the way the Agreement is structured.

FPUA Chairperson Drummond said if he is understanding Mr. Anderson, the County doesn't see it that way.

County Administrator Anderson said no.

County Commissioner Craft said under Exhibit 4 of their Interlocal Agreement, Paragraph 5(c) it states: It is the intention FPUA utilize the existing Hutchinson Island wastewater reclamation facility to its fullest capacity. So yes, it says in the contract that it is the intention of the U.A. to use that facility to the fullest. But also in the last sentence in that, it says: FPUA and St. Lucie County will plan for construction of future mainland wastewater treatment plant as partners with each party paying its share of the cost on an allocated capacity basis rather than a capital improvement charge basis.

FPUA Chairman Drummond said if he is understanding that correctly, would that not suggest that as they reach capacity at that facility on the Island, that any additional facilities that may be constructed, they would enter into it as partners?

County Commissioner Craft said absolutely. That is how he reads

it. But his suggestion to this is, if it has no additional cost to the U.A. to construct a facility, no cost to the County if the developers are having to pay for a new facility to go in the north County, and they are going to eventually have to put one up there as is the U.A. if they are going to be their wastewater supplier, would it not make sense to have the developers pay for it now as opposed to paying for infrastructure to fill up a wastewater plant on the Island? That is different from what the contract states, but he is just trying to apply a little common sense as far as the finances to this. To him, it makes more sense to utilize those funds to start to build that new facility. Shame on them for not having this discussion prior to them getting to this point.

FPUA Chairperson Drummond said except for the fact that what it leaves out is the now intent of not actually coming to actual full capacity at the existing plant, ahead of spending dollars elsewhere.

County Commissioner Craft said yes. But also in this Agreement, the Exhibit, the title of it is: Agreement between Fort Pierce Utilities Authority and St. Lucie County, Florida, for Provisions of Bulk Water, Wastewater, and Reclaimed Water Service. That is the title of the exhibit. And then it goes down further to define what those are under Paragraph 2(a). And then one of the very last statements within this... First he wants to make it very clear, it is his intention to do business with the FPUA. He doesn't want to see the County expanding their service. He wants to make sure they are utilizing the partnership the County has with the U.A. That only makes sense to him. The County doesn't necessarily need to be in the utility business, but they need to be able to provide the services to their customers. That is just his opinion, he doesn't know what his other Board members think. But at #21, it says: During the term of this Agreement, FPUA shall be the exclusive bulk service provider to St. Lucie County within Area B subject to the following conditions: (1) To the extent that FPUA denies a service request from St. Lucie County, St. Lucie County may meet such service requests from another source, including one owned and operated by St. Lucie County. Now they have a means through their Comp Plan, through amendments they are making to their Comp Plan, to be better stewards of their environment by taking care of their water. And through that they are saying that any wastewater they give them, they have to take back. Well, they can't do that with the existing system. They need the reclaim. He would love to enter into this facility at the airport with the U.A. doing that. If not, the County doesn't have much of a choice. Their Comp Plan, they are changing it, not to try to get out of the contract, they are doing it to try to take care of their environment and take care of the natural resources. And he would love for the County to be able to do this with the U.A.

FPUA Vice-Chairman Summerhays said he is a little confused here and maybe Mr. Boudreaux can help him out. There is an assertion in this that he has also read in various letters, that the Island plant does not produce reclaimed water. And yet he recalls they were planning on supplying reclaimed water to various developments on the Island until they found out they were going to have to pay for it and then they weren't interested any more. He believes that plant does produce reclaimed water. Is that correct?

FPUA Director Boudreaux said yes. One of the residuals of the wastewater is water. The other is the sludge or the bio-solids or whatever. And the water is not being reclaimed, it is not being

reused. It is being injected into a deep injection well. So he would find it hard to say that is reclaimed water. It is treated effluent from the wastewater treatment facility and really under his definition wouldn't be considered reclaimed water or reused water, unless what is reclaimed is put to a beneficial purpose.

FPUA Vice-Chairman Summerhays asked but it is suitable for that?

FPUA Director Boudreaux said yes, it is with some improvements at the plant which would be kind of expensive; and that gets back to what they alluded to before, is the cost of it was going to be required to be borne partially by developers.

FPUA Vice-Chairman Summerhays said so they could invest in some infrastructure improvements and another pipe across that inlet - which may be a whole kettle of worms by itself - but they could do that and supply reclaimed water from that plant. Is that correct?

FPUA Director Boudreaux said yes, that is correct.

Mayor Benton said he would like to add that this is to him one item out of those 10 items. And he doesn't want to sound like a traitor, but he agrees with Mr. Anderson and he agrees with the County Commission on this facility, because it has been his goal for 10 years to get that facility off the Island one day. To him, it doesn't make sense to bring it to capacity because they have had problems with it long before and it was nowhere near capacity. If they had the ability through developers and through partnering with the County to create a facility out near the airport, to him it just makes sense to take that route and get going on it. He knows the Board has heard him talk about reclaimed water for a long time.

He thinks now is the time. On this item he would support the County on that partnership.

County Commissioner Coward said he wants to just weigh in a little on that issue. He has had a lot of history on this particular issue. And Commissioner Becht and he both took kind of a leadership role and tried to advance the Interlocal Agreement. The spirit of that was clearly a partnership on future facilities and also a desire that, actually he thinks Mayor Benton was the strongest in voicing, which was to try to move the plant off the Island. That is what they are trying to accomplish, is a partnership with the U.A. and the City for new facilities both in the north County and in the Selvitz Road area. Again, not trying to take over. In fact, they are hearing common ownership, the FPUA run it. Not trying to take over. But the spirit of what they laid out was to try to work together with those new facilities, and take that plant and the deep well injection and make it obsolete. That was the spirit of what they were trying to accomplish. So now to say they are not going to put any of this new investment revenue they have into new facilities and to max out more use of the very facility that was the crux of what they were trying to get away from, they need to go back he thinks and watch some of the deliberations. Maybe some of the details in here weren't as clear as they should have been, but the broader spirit of what they were trying to accomplish was very clear. He thinks that is what the settlement proposal is trying to move them in that direction.

County Administrator Anderson said in Paragraph 1 of the Agreement that they signed between all of them reads: The County, City, and FPUA agree to cooperate on the eventual relocation of the FPUA's Hutchinson Island Wastewater Treatment Plant. It is right in the

agreement.

City Manager Beach said his recall of this discussion includes a mechanism that was set up by FPUA in putting the bulk agreement together where the new development impact fees, a large portion of those, came to the Fort Pierce Utilities Authority. In fact, to the tune of millions at the time, because of the level of development activity that was anticipated. The discussion about moving the wastewater treatment plant was that these impact fees were going to build a financing mechanism for FPUA that they could build a replacement facility jointly with the County if that was what was appropriate. But that was the source of funds to build the replacement facility. FPUA, if they are put in a position of being forced to jointly build a facility at the airport, they know that the investment in that facility is going to be based on the demand, on the use. In other words, if the City needs 2 million gallons a day and the County needs 2 million gallons a day, the cost of that is going to be split in half. That doesn't further the cause or further the decrease in the expense of operating that Island plant. It becomes an additional expense and not a replacement. What they lose is the revenue generated by the impact fees from the development of the north County.

FPUA Chairperson Drummond said if he could piggyback on what City Manager Beach is suggesting, he wholeheartedly agrees. From his perspective, he is not opposed to looking in terms of an alternative location and moving that plant off the Island as what was said in the original agreement. His concern is that they have an asset that is viable and it actually has a life that will continue to bring revenues to offset the cost for providing services to the residents of the City of Fort Pierce. His concern is that by entering in a different agreement, they would possibly be providing a situation where the citizens of Fort Pierce, the ratepayers for the City of Fort Pierce, would be funding the decommissioning of that particular facility. And he thinks that is unreasonable. He would want that there be an opportunity for there to be some way to accomplish this so they would not be the bearers of the responsibility of shutting down that facility.

County Commissioner Craft said he couldn't agree with Mr. Drummond any more. He doesn't think by moving that plant it should have a cost to the ratepayers of the City of Fort Pierce or their customers. If they have an opportunity to get a head start on building this facility, it is paid for by the developers, he thinks they are missing an opportunity to take a hold of it and get started. If they continue to fund money into the lines to get to the FPUA, that may exceed the amount of money it would cost them to construct a plant, to begin the construction of a plant in the north County. He doesn't know that makes a whole lot of sense. They should go ahead and spend the money as opposed to running more lines down U.S. #1 or connecting to that Hutchinson Island plant. Why would they not go ahead and collectively together...? He doesn't care about the means of funding. The funding as far as revenues received, there will be a fee that will be paid to the U.A. to operate the facility; or if not, a percentage of what comes in. However they can work it out is fine, but they have an opportunity now. This opportunity is going to pass them by in about six months. Once the flood gates are released in north County, there is not going to be any turning back. And once the Comp Plan Amendments are done, those flood gates are going to be opened and they are looking a some 24,000 housing units in that area as well as commercial properties as well.

FPUA Director Boudreaux said he thinks there are two points that are being overlooked here. One is, the cost of constructing new capacity. The best estimate they have right now is a back of the envelope estimate for duplicating a 10 million gallon a day capacity plant, which is what they have on South Hutchinson Island.

At about \$4.00 a gallon, it comes to \$40 million to duplicate that plant, whether it be on Glades Road or up by the Airport. Their system absolutely cannot afford that right now. The plan that they have and what was laid out in the Interlocal Agreement was just as what has been iterated previously; and that is, that the impact fees that they can collect for the additional capacity in that plant, which is about 4 million gallons, comes to between \$15 million and \$20 million. When they collect money for capital improvements, they put that in a separate fund and they only use that for capital improvements. The other thing that is gone unnoticed here is -and he said this before in a letter to Mr. Anderson - that the Interlocal Agreement, if they sit down and analyze it, actually it is a blueprint for regionalization of the north County - by north he means north of Midway Road - water and wastewater facilities. If they follow the Agreement, it will lead them right down the path to regionalization. And eventually they will wind up with two regional wastewater plants in the north County - one in the southern area and one in the northern area - and it just can't help but work out that way. They can force it to do other things; but if they follow the agreement, they will wind up with two regional plants north of Midway Road in St. Lucie County.

City Commissioner Becht said he is a little bit confused and he needs more facts. Mr. Boudreaux has stated that they received a service request from St. Lucie County for part of Portofino and maybe all of or part of a different subdivision, but nothing else.

Can Mr. Anderson clarify, has he made a service request of FPUA other than...? Tell him what service request he has made.

Mr. Mike Bowers, County Utilities Director, said in the north they have paid all of their fees for Portofino, all 521 units.

City Commissioner Becht said no, they are going to be here all day unless he can get a specific answer. He wants to know what developments he has put in a service request for? For how many units has he requested that FPUA service?

County Utilities Director Bowers said they requested Portofino.

City Commissioner Becht asked nothing but Portofino?

County Utilities Director Bowers said they have entered an agreement with Waterstone, a developers agreement.

City Commissioner Becht asked has he requested FPUA to service Waterstone?

County Utilities Director Bowers said yes.

City Commissioner Becht asked anybody other than those two?

County Utilities Director Bowers said he is hesitating because he believes they did have Mr. Thiess sign off on Oakland Estates for 73 units, but that agreement has not been signed. So actual signed agreements are 521 units and 722 units.

City Commissioner Becht said so under this Interlocal Agreement, which is now more than a year old, the County has requested three different subdivisions and no more.

County Utilities Director Bowers said that is correct.

City Commissioner Becht said that is where he is confused. Because County Commissioner Craft just said they had 24,000 units contemplated for the north County, but his service request... How many units is that request?

County Utilities Director Bowers said they haven't signed any other developer's agreements, so they wouldn't ask for any capacity until they have a signed developer's agreement. In this case they would ask FPUA to sign off on it.

City Commissioner Becht said that is what he thinks FPUA was pointing out, was that they saw the 24,000 units coming. If he may just follow up here, he has a question of Mr. Boudreaux. What is their capacity? Did he say 10 million gallons a day at the South Beach facility?

FPUA Director Boudreaux said the plant is permitted for 10 million gallons per day. And the average daily flow he thinks on a 30 day basis is in the vicinity of 6 million gallons a day. Which means there is 4 million gallons additional capacity at that facility.

City Commissioner Becht asked nobody has asked him to touch any of the 4 million gallons yet, or have they?

FPUA Director Boudreaux said no. Well, yes and no. What he was referring to before is, the agreement calls for a five year projection of flows, a projection so they can plan on how much more capacity they need to build. What he has here is a spreadsheet from Mr. Bowers dated February 22, 2005, signed by him on March 21, 2005. And the only two subdivisions that are listed on here are Portofino and the Seminole facility - he is not sure how many units, he thinks 80 units there. It shows the flow rate for Portofino which goes from nearly 1,200 gallons per minute to 1,350 gallons, and the Seminole development at 1,100 gallons, and he also includes things they are already serving, such as North Hutchinson Island, and the proposed Indian River Estates. But the others that were mentioned are not on here.

County Administrator Anderson said the reason Waterstone was not on there too was because they did not have a signed developer's agreement when that report was completed.

City Commissioner Becht asked do they have one now?

County Administrator Anderson said yes, they do.

City Commissioner Becht asked have they put in a service request yet?

County Administrator Anderson said yes, they have.

City Commissioner Becht asked is that signed by the County?

County Administrator Anderson said yes.

County Utilities Director Bowers said let him clarify. When they say a service request, they have a signed developer's agreement by the County and by FPUA agreeing that the flow goes to FPUA. He does not have the document Mr. Boudreaux has in his hands signed requesting capacity.

City Commissioner Becht said where he is going is, he is trying to identify... Like everybody else up here, he would like to relocate the wastewater facility off the Island. That is a dream. The hard reality is that it is an asset, it does work, and it has 4 million gallons a day of additional capacity that is not being used. He can be motivated to move it; but it is going to be tough to just go back to the ratepayers and taxpayers and say they want to incur an additional \$40 million debt. They have \$10 million to \$15 million of it covered apparently by impact fees. He needs additional information. The service request he is talking about is the one that is identified in Exhibit 4 of the Interlocal Agreement. And what he is hearing today is, that service request document has not been submitted to FPUA. He guesses, back to Mr. Boudreaux, what additional information would he need to intelligently make a decision on whether they do or do not need additional wastewater treatment capacity in the north County? Because his simple thinking is that it would start with a service request. And when the County makes a service request that the U.A. can't meet with existing facilities, at that time they would talk about partnering. Why would they talk about partnering before the service request comes in?

FPUA Director Boudreaux said he is saying a service request. The Interlocal Agreement requires... He doesn't think it addresses a service request, but rather a five year flow projection. And when he gets finished here, he will bring this up and show them what they have.

City Commissioner Becht said all right, then lets go with that. The five year projection is from the County staff and is less than one million gallons a day right now.

FPUA Director Boudreaux said he didn't add it up, but the new flows that they show here for Portofino is in the vicinity of 1,200 gallons per minute, and for the Seminole Development, 900 gallons per minute. What is missing from here are all the other projections for the next five years. They are not asking for a commitment that this was going to be sent to FPUA, but rather the projection of what the County knows they are going to have to provide service for in the next five years.

City Commissioner Becht asked that information has not been shared with him to date?

FPUA Director Boudreaux said yes.

City Commissioner Becht asked has that information been shared with him to date?

FPUA Director Boudreaux said the last thing he has is dated March 21, 2005, and it is just a partial listing.

City Commissioner Becht asked does Mr. Bowers have those figures for the projected flow from the 24,000 units that County Commissioner Craft is talking about?

County Utilities Director Bowers said he doesn't have anything on the 24,000, no. But what he does have...

City Commissioner Becht said he doesn't mean any disrespect for County Commissioner Craft.

County Utilities Director Bowers said what he does have is a copy of this letter he wrote to Mr. Boudreaux on June 7th and attached to that is an estimated five year flow projection.

County Commissioner Paula Lewis said she has some questions maybe procedurally that would help. How often are the flow projections to be sent in? She thinks that is part of the problem, because the one was sent in March included all they had up to that point. As she explained to Commissioner Becht when she spoke to him some time ago, the 24,000 projected units are just that, projected. They have not approved most of them. Those are somewhere out there in the process in the County, but they have not come before the County Commission and they have not been approved, the developers haven't finalized anything. In light of that, which comes first - the development orders or the capacity request? She thinks they are kind of getting tied up in the procedures here and she doesn't know how it is supposed to work. So she would kindly appreciate it if somebody could tell her how this works between the development order and capacity request and how these things come together. Because she is hearing from them that the capacity they had approved was requested; and now there is another development order and they have not requested capacity on it yet, and she is not real sure how it is supposed to work.

County Utilities Director Bowers said he will do his best. The original request for capacity reservation as part of the agreement was to be submitted to FPUA within 60 days of signing of the agreement. At that time they didn't want to do it because all they had was projections. They did not have signatures other than the Seminole Development on Okeechobee Road, that is the only one they actually had a signature on, everything else was a projection. It was quite a projection. If they may remember, a year ago they were talking somewhere around 10,000 units in north County alone.

County Commissioner Lewis asked what signature is he talking about?

County Utilities Director Bowers said the Developer's Agreement.

County Commissioner Lewis said so he needs a Developer's Agreement before he requests capacity.

County Utilities Director Bowers said beforehand, yes.

County Commissioner Lewis said that clears that procedural order anyway.

County Utilities Director Bowers said even the one they sent in June, what they didn't send was an estimate. They didn't send anything other than their conversations at their meetings that they had on a monthly basis with FPUA. They talked about their procedures, how they were going to go. And all of this was brought out at each meeting as to what was happening, what they thought to be real and what was projected. The form that Mr. Boudreaux is talking about requires his signature at the bottom of it as a reservation of capacity. He refused to do that because he did not

have that capacity requested of him. He has talked to the developers and he had no developers agreement signed; and the ones he did have signed were already being served or already lined up and agreed to with FPUA. Now the one he sent in June, they changed the title of it and called it a 5 Year Estimate, to let them know that they did not have signed agreements with these, only some of them had signed. The Seminoles were signed. They had been talking with Creekside and the Provinces and the Zentner Property. Indian River Estates had signed, Portofino signed, Waterstone signed. Oakland has not been signed and Coconut Cove has not been signed and the rest. So they changed this to an estimate to let them know what they think the flow will be. But they don't have a signed agreement on all of these developments.

City Commissioner Coke said just for a point of clarification, it is her understanding from everything that is being said here today that the U.A.'s point is that number one, they still have 40% capacity approximately available on the Island; and number two, that by allowing the County to take the impact fees to start building this new plant, it would diminish the fees that the U.A. would collect that the U.A. was going to put towards building the new plant and it would diminish, on a daily basis, income from FPUA because they would not be serving those new customers. Is she correct in that brief synopsis of that is the U.A.'s point is?

FPUA Director Boudreaux said yes.

County Commissioner Coward asked can he follow up on that? Because he has some questions he wants to better understand. It ties back in to a few comments that were made about the impact fees and the capital improvements. He thinks it basically was suggested that impact fees would be collected and then basically kept until there was a sufficient amount to make substantial improvements. Are those improvements for plants only or primarily for plants?

FPUA Director Boudreaux said it can be used for any new infrastructure or a capital project which would extend the life of an existing facility.

County Commissioner Coward asked but typically, is it for a plant expansion?

FPUA Director Boudreaux said plant expansion or utility line expansion.

County Commissioner Coward said if this South Beach facility has 40% capacity and they are collecting millions in new feeds, the question is, should that money be invested into this antiquated plant that they don't want to expand or whether they use that to invest in the spirit of the agreement, which was the regionalization effort in both the north and south County? Right now they are going to be spending millions upon millions of dollars to put lines in. It is not that the plant doesn't have capacity, but putting in lines that go to west central St. Lucie County. So they are going to be investing in millions of dollars of line connections to this antiquated plant, instead of using that revenue source to actually build the new plants at the Selvitz Road and Airport site. How long is that 40% likely to last? He knows the City has a lot of expansion in downtown Fort Pierce. They have looked at kind of this rough number in the north County. Have they also looked at the rough estimates of the redevelopment efforts, which have been highly successful, by the way? With their efforts

and the growth that is occurring within the City limits and in that Zone A, if they take all that growth and try to project it out, how much of that 40% capacity is taken up? Have they looked at those rough numbers? Because it would seem to him that their intention was not to expand in any way the existing plant. He understands they don't want to shut it down, that is even a bigger step. But they have never intended, in his opinion, to try to more substantially utilize that plant. He understood this agreement to be, they would be working in partnership with them to invest in new facilities. He understands there is some gray area there, but the long term intent was clear. It was not to spend millions of dollars to put lines from the fairgrounds so they can provide sewage disposal and deep well on the Island, that was obviously not what they were intending to do. He is just trying to get a sense of whether they can continue to use existing South Beach plant for their own anticipated growth and then take the impact fees that are coming in from the north County. Instead of putting that money into costly line construction, why don't they move towards new plant construction? That is what he is trying to get a sense of.

FPUA Director Boudreaux said he has two things. One, to answer Commissioner Coward's question, the capacity remaining in the plant can serve approximately 17,000 new residential units. The other thing he wanted to clarify is, Mr. Bowers was talking about the capacity reservations and service requests. The Interlocal Agreement only requires projections. It is in Paragraph 18 in Exhibit 4 and it says: Within 60 days of execution of this agreement, St. Lucie County shall provide FPUA with a five year projection of bulk water and wastewater demands for all connecting points and St. Lucie County shall update the five year projection annually thereafter during the term of this agreement. When they received the partial projection from Mr. Bowers, he also emailed a letter to the FPUA outlining the new facility that the County was going to be building and it says that they expect to have their own wastewater plant in service by January 2006 up by the airport and the plan was to expand the Holiday Pines plant, the expansion service by December 2005. He submits to them that is in direct violation of the Agreement, telling FPUA the County is not going to comply with the Agreement. So to say that they didn't have a Developer Agreement, to say they didn't have signed agreements for the 24,000 units that they are estimating that are coming to the north County area... All they required by this Agreement was five year flow projections. That is it, projections. Staff could certainly have done that, and it just never came forward.

City Commissioner Nelson said he thinks their basic question here resolves around whether or not and when they are going to remove the plant from the Island. Certainly it has been indicated they have now more capacity than they need and possibly can relocate that plant sooner if need be. His question would be to the County, considering the potential collection of the impact fees and the relative estimated cost of \$40 million to relocate that plant, would they be willing to share equally with the cost of construction and relocation?

County Administrator Anderson said they are not talking about \$40 million at this time. What they are talking about doing is to direct the future flows from the north County to the Airport rather than to the Causeway Island plant and begin building this facility in phases. As they need phases, as they get developer agreements in here and get projections in here, they increase the capacity. If they continue to direct their flows, all future flows to that

Causeway Island plant, their money goes with it, the revenue runs with the wastewater and they will never get that plant off the Island, at least not in their lifetimes - maybe in Commissioner Craft's or Smith's, they are a lot younger than the rest of them, but not in his lifetime. That is what they are trying to do is, they want to see that plant come off the Island; and if they continue directing their revenue there, they are not going to be able to do it, the County won't be able to do it.

City Commissioner Nelson said one can take a brand new house, for example, building roads, and tear the house down. Certainly that plant still has capacity.

County Administrator Anderson said that is right.

City Commissioner Nelson said if they set a realistic time frame to in fact remove it, they could in fact move it. They wouldn't have to do all that building at the airport area; and at one point in time they could in fact say they are not going to continue to send anything to the Island as opposed to just continuing to do what they are doing now. Set a time frame, put a dollar figure to it, and just come and say lets move it. Make that hardcore decision to move it and pay for it.

County Administrator Anderson said they need a goal. Every day the cost goes up. It is going to get to the point some day where they are not going to be able to afford to do this.

Mayor Benton said just for the record, the U.A. Board has passed a resolution to decommission that plant in February of 2015. They are just hoping they can get there quicker. That is ten years, right? That would make 2015, true?

FPUA Secretary Haynes said he doesn't recall that.

Mayor Benton said they said ten years as of February 2005.

FPUA Chairman Drummond said he is in agreement with Mr. Haynes.

FPUA Director Boudreaux said what they said they would do, and this is in progress, they have hired an outside engineer to do a study to tell them what it would cost to do this within a five year period, a ten year period, and a fifteen year period. They haven't gotten the results of the study back. The first thing that has to be done is the Engineering Department has to come up with an accurate estimate cost of the plant and that has to be turned over to a rate consultant to see what it would cost to fund the debt service on the plant. But to this point, there has been no commitment, no resolution by the U.A. Board to move the plant, other than to do the study to see how quickly it could be done and they do not have the results of that study back yet.

Mayor Benton said he thought in February they said they would decommission that plant in ten years, he believes they voted on it.

FPUA Secretary Haynes said not in his memory.

FPUA Vice-Chairman Summerhays said he does remember a study.

Commissioner Nelson said his finalize question there is in the area of, in the event that they don't want to commit to sharing some of the cost of relocating the plant, then what would be the

possibility of guaranteeing the possibility of the County sending maybe 10 million gallons or so effluent down to the plant if they were to locate it themselves? Can they guarantee the flow of wastewater or whatever they send to the plant if they relocate it themselves?

County Administrator Anderson said that is obviously up to the Commissioners, if they want to continue to send additional flow to the plant or not. But every gallon... Commissioner Becht is shaking his head no.

City Commissioner Becht said what he thinks Commissioner Nelson said was, if the County will commit to the 10 million gallons of flow, the FPUA will relocate the plant.

City Commissioner Nelson said all they have to do is make a decision to move it. Put the necessary funding there for it and try to figure out some type of monetary stream so they can recover their cost. If the County were going to give them 10 million gallons a day, a month, a year, or whatever the case will be, it would offset their cost. Couple that with the impact fees they get, they might be able to manage that.

County Administrator Anderson said they would have to give them the projection of when that 10 million gallons would occur. He knows it is not there now. Once again, their position is those flows are going to go to that plant. He doesn't know when they are going to start construction on the new plant.

City Commissioner Nelson said it is a case of all the developments going up in north County, over and above Portofino and Waterstone, certainly they are looking forward to going beyond those built up areas, and the County could be looking for something to give them the flow down south or out west or wherever the case may be.

County Administrator Anderson said their recommendation to the County Commission would be that they proceed immediately to help them begin construction of that new plant by directing the flows there. They need the reclaimed water in the north County.

FPUA Secretary Haynes said this whole discussion is confusing. To him, it is like a tennis match where the ball goes back and forth and it is going so fast he can't see the ball. He thinks they are talking about roughly the same thing. They all want to see the plant moved off the Island. He thinks the issue is the time frame and who is going to pay for it. He would certainly be willing to consider moving that plant. But it needs to be made to not have their rate payers pay for that. That is his opinion on that. The other issue is what Mr. Anderson has proposed here this afternoon. He would like an operating and legal opinion from Mr. Boudreaux and Mr. Koblegard as to whether the issues Mr. Anderson presented are viable from the FPUA staff's standpoint.

FPUA Director Boudreaux said as he said in his opening remarks and he has said to the Board asking for guidance was to not renegotiate the Interlocal Agreement but to make it work as it is written. He thinks what Mr. Anderson is proposing is a total new agreement; and his guidance from the U.A. Board was not to renegotiate the agreement, but rather to make the current agreement work.

FPUA Secretary Haynes said he is not in favor of renegotiating the Agreement either and, in Mr. Koblegard's opinion, negate the

Agreement they have with the County.

FPUA Attorney Rupert Koblegard said he doesn't think the County has done anything at this point that has actually violated the Agreement. They just feel like they are in the process of doing that. To him, the five year period is clear. The County cannot start construction of any new facility to create an alternate source for their water or wastewater without violating the Agreement. That is actually, as Mr. Boudreaux said, put a shovel in the ground. So anything the County wants to try to do on their own, he thinks it will be subject to the FPUA going to court and trying to block that with an injunction. These Boards collectively of course can modify that Agreement however they choose to. That is something that these Boards entered into that Agreement, they can change it. It would take collectively all three Boards to agree to that. He thinks if they look again at Paragraph 5(c) it talks mostly about relocating the plant on South Beach and sets a time frame for that and sets a reason for it. It states that that plant is to be utilized to its 100% capacity, bulk water from the County and their other customers. That was the agreement. That is what they should live up to. It says 100% capacity. And they both understand that at some point regulatory agencies might require them to relocate or it may become time to do that. At that point, they would partner in doing it. But up until that point, the County's bulk water is to go to that plant to recover some cost the Utilities Authority has already put into that plant. It is very clear language in that paragraph.

County Chairperson Hutchinson said after conferring with the Mayor, she will be the bearer of bad news, but she is actually seeing no answers to any questions here today. They have asked for, what are the issues? They have all come unprepared as to what the issues are. They are handing out papers and copies right and left. Her other concern is that they are all sitting here pointing fingers and she has yet to hear exactly what are the issues. It has been asked by the U.A., it has been asked by the City, and now the County. What are the issues they cannot agree on to get off first base here? Now that she has put on her little tirade, if they cannot get there or if they are not sure what the issues even are any more, she would suggest they either go ahead and go on into litigation, or they go back to the drawing board. And she would be willing, in talking with the Mayor, that either there be a representative from all three Boards - and not staff - sit down, put the issues on paper, and bring them back again, or try to work it out, because she sees this going nowhere today.

Mayor Benton said just to add to that, he thinks at least in the Utilities Authority's and the City's eyes, those five items on Mr. Boudreaux's May 16th letter were issues they felt the County had broken the Agreement. Right?

FPUA Director Boudreaux said yes.

Mayor Benton said he thinks what they were looking for is a specific yes or no answer on those five items, whether the County planned to go along with the Agreement as signed or not. If not... They haven't really discussed those five issues. They have talked about the wastewater plant, but that is just one item. He thinks these other items here, basically they were looking for a yes or no, right? If not, then he doesn't know what...

County Chairperson Hutchinson asked can she get clarification.? Mayor Benton was referring to the letter of May 16th?

Mayor Benton said May 16th.

County Chairperson Hutchinson asked so the June 15th are not a concern or they are? They are different ones.

Mayor Benton said that is why he asked Mr. Boudreaux about the June letter. Are those items that should be taken into consideration?

FPUA Director Boudreaux asked what is the date of the June letter?

Mayor Benton said June 15th.

County Chairperson Hutchinson asked are these additional or are these different?

Mayor Benton said that was the one with the oversizing and completion.

FPUA Chairperson Drummond said from his perspective - and he certainly doesn't speak for the entire Utilities Authority Board - he believes that there is always a possibility for things to change in terms of what appears to be a better solution in terms of what they want to accomplish. That being said, he would concur with Mr. Boudreaux and Mr. Koblegard that from the U.A. standpoint they have an Agreement that is in place that works well for them; and that in the absence of a better Agreement, they are going to ask that Agreement stand. But that doesn't take away the ability for them to come back to the table and look in terms of developing a better Agreement. But in the absence of a better Agreement, he would think they would always take the position that they have a good one and they want to live with it.

County Commissioner Craft asked could they have the County staff just go down the list of the concerns the UA has? Like for instance, the 5-year projection from the County provided by March 8th. It was the 15th. Obviously they were...

County Chairperson Hutchinson said she has no problem with that. She thinks that is where Mayor Benton was heading to. But what she thinks they are trying to clarify, was it five issues or was it ten issues?

County Commissioner Craft said he thinks regardless of how many it is, they need to start with one of them. Lets accomplish one thing today and then they will go to the second issue and see if they can accomplish that, and take it item by item. That is his only point. They are running in circles here.

FPUA Director Boudreaux said he thinks he can help clarify this. The issues on the June 15th and May 16th letters are all a list of things that the County needs to do to keep up with development on their side and not build or add to capacity at the Holiday Pines plant or someplace else. The Utilities Authority had been told, and he thinks he paraphrased the letter from Mr. Bowers that explained what they were planning to do. What he said in these two letters is that they need to continue, there is an opportunity to invest in a force main on Orange Avenue. They are building a 12-inch force main. If they are going to have flows coming from west of there, then they need some mechanism to transmit that flow to the U.A.'s plant. And the County declined to participate in that, which is okay; except that once the line is built, there is no more

opportunity for the County to participate in it. It is the same thing with the 16-inch force main north of Taylor Creek. That line is required to take all the flows from the north area along with the construction of a lift Station and the County has not been doing it. If they don't do it, they can't get the flows to a treatment facility. And by the contract, they can't build their own treatment facility. So that is the letter of June 15th, that is what that is all about. The May 16th letter, the only thing that is in violation that the County has violated the Interlocal Agreement is that they have not given the U.A. a five year projection of the flows as required by the Agreement. That is Item #1 on the May 16th list. If they were to get a flow projection from the County saying that this is the amount of flow of water and wastewater they need for the next five years, the U.A. would be happy. Also, quit telling the U.A. that they are going to build additional facilities. They are not interested in building a plant up at the Airport with the County. The U.A. doesn't need capacity up at the Airport. They cannot afford to build capacity up at the County at this time. They are committed to build a plant around the Glades Road area and they are going to do that, but they are not interested in building a plant someplace else. Maybe in ten years they will need additional capacity up there, but not right now. That is the short answer.

County Commissioner Craft asked what is the cost of Item #1 on June 15th letter, the 12-inch force main on Orange Avenue?

FPUA Director Boudreaux said the cost of it, he has no idea.

County Commissioner Craft asked can Mr. Bowers give... Obviously this is a speculative guess as to the capacity the County is going to need for the next five years and that is all that they are asking for. Can they come up with a number the County can give to the U.A. that would be somewhat realistic?

County Utilities Director Bowers said it is part of the June 7th letter.

County Commissioner Craft asked so that has been provided to them?

County Chairperson Hutchinson said a lot of that, it needs to go on record, it is purely speculative until they make those TBD changes and everything else. A lot of it is up in the air.

County Commissioner Craft said that is what they asked for, is speculative.

County Commissioner Coward asked could they clarify. Mr. Bowers said it was in a June 7th letter. To whom?

County Utilities Director Bowers said to Mr. Boudreaux.

County Commissioner Coward said so they have in fact received that, that is what he is telling them.

County Utilities Director Bowers said it is part of the attachment, yes.

County Administrator Anderson said the wastewater would go to the Island.

County Commissioner Craft said they have an Agreement they signed.

He is just trying to get them to where they need to be with the Agreement they currently have. Obviously, they are not going to have anybody play with them if they can't play by the original rules. That is his only statement. They need to get the U.A. the capacities. The U.A. is asking for a speculative flow for the next five years. Is that all they are asking for?

FPUA Attorney Koblegard said he believes that is correct.

County Commissioner Craft said he doesn't think that is asking too much. Can they do that, as the County?

County Utilities Director Bowers said yes.

County Commissioner Craft asked is it done?

County Utilities Director Bowers said it is done.

County Commissioner Craft asked can they get a copy for Mr. Boudreaux so he has that again in front of him? He is just trying to get through to the next step, that is all.

County Utilities Director Bowers said absolutely.

FPUA Director Boudreaux said the last flow projection they received was March 21st. That is the only one they have received.

County Commissioner Craft said that includes the north County stuff that they are talking about, the north County study charrette area?

County Utilities Director Bowers said Mr. Boudreaux left this sitting on the desk over there. This is his copy.

County Commissioner Coward said so after this many hours, they can't even agree who has the letter and when it was sent?

County Chairperson Hutchinson said that is her point. They have sat here for almost two hours and they don't have the appropriate backup to these statements that any of them or the staffs are giving them. They are asking for copies. They don't go into Conflict Resolution unprepared. Even though staffs may know it, they are the ones that should have been provided all of that information that pertained to it. That was her point.

City Commissioner Coke said echoing everyone else's sentiments here, she thinks unfortunately they as Commissioners and the U.A. Board are not as well prepared for this Conflict Resolution as they should be. She is not looking to point fingers at anybody else. But she is wondering if they could not, at this point in time, ask that the U.A. provide the County and City Commissioners and everyone on the U.A. Board within ten days a list of their top seven priorities where they feel there is a shortcoming. And if the County could then respond - very nicely they are going to talk to each other now - to all the Commissioners and the Board members on a line by line item basis and also add anything there that the County feels there is a problem with. If they can begin to find a way to make the Agreement they have work, then she thinks they could begin to look at if they need to make a modification or rework another part of the Agreement, but for all of them to spend time looking to enter into a new Agreement when they have one that they haven't been able to make work in a year and a half or two years, doesn't seem to be in anybody's best interest. They are

just spinning their wheels. She for one would like to see a clear, concise, nicely polite written letter from one entity responded by the other entity with copies to all of them. And then maybe they can schedule something in three or four weeks where they can sit down and look at the situation again.

County Chairperson Hutchinson said that was well said and if she could just add a little bit more. She would like to ask the U.A. and the City of Fort Pierce to put their concerns... Because she was trying to jot them down and there were some differences. And also the County. Copy everybody out with them, everybody respond, and then put it back in the Commission's hands and let them go from there. She agrees totally with Commissioner Coke.

Mayor Benton said he thought what he heard was the only item that was a problem was Item #1. Mr. Boudreaux just said that, right?

FPUA Director Boudreaux said that is what he said.

Mayor Benton asked couldn't they solve this if the County could put a memo together with site plans that have been approved, the ones that are projected and other ones that have been brought in that are sitting in front of staff, the status of them, and keep the U.A. up to date? He would think that is what it appears they are looking for.

City Manager Beach said he doesn't know how they get something this convoluted. This is a very simple matter. This is not a complicated matter, it is a simple matter. St. Lucie County is not living up to the Agreement that they agreed to, they are not. Every communication they get from the County staff indicates they are going to build their own facilities, they are going to go off in a direction that is not consistent with that Agreement. This Conflict Resolution hearing is an opportunity to try to resolve that. It is an opportunity for the County to tell the City whether they are going to comply with the agreement or whether they are not. What they are supposed to do, if the County says they are not going to comply with the Agreement as written, if they don't find an acceptable solution, then they go somewhere else to resolve this issue. He doesn't think that 15 officials can work through the details of an Agreement that has been going on this long if they had 24 hours to talk about it.

City Commissioner Coke said she thinks maybe they all would have a better opportunity perhaps being able to resolve it if in fact... They have a letter here from Mr. Boudreaux on May 16th with five issues and on June 15th with five issues, all of which may be very valid. Now they are being told only one of them is of concern. They need to know what they are dealing with.

City Manager Beach said they are dealing with the violation of the Agreement, a violation of the Agreement that is indicated by every piece of communication coming out of St. Lucie County. It is that uncomplicated. He is sorry that it is not apparent.

County Chairperson Hutchinson said they are here today because, in all due respect, the staffs could not work it out. So it falls on the elected officials to come here to try to work it out. That is part of what a Conflict Resolution is. That being said, they are now on to... Did Commissioner Coward have a comment to make?

County Commissioner Coward said yes. He was going to say not only

has staff had that time and all the paperwork, they didn't get 24 hours, they had two years; and they still haven't been able to figure this out. That is why he thinks the elected officials are frustrated, because they have had some of the best meetings that he has been a part of in the seven plus years he has been a Commissioner - this entity right here - trying to work together. And when they provide a broad policy, it always gets mired in minutia and legalities and the staff cannot figure it out. And then he sits here and gives him a lecture on the reason they can't get this figured out is there are 15 elected officials and they do not know enough about it? Their job is to set broad policy, which they tried to do; and yet for some reason they cannot get their staffs collectively to figure this out. Is it an impossibility? He just doesn't understand. They just cannot seem to get off the dime. He doesn't know if they need to hire somebody to help facilitate this. But it is in all of their best interest to try to figure this out. He is certainly committed to continuing to try to work with the City and the U.A. to that end. But clearly it is just not working.

County Commissioner Lewis said a couple of things. One of which, Mr. Anderson did make a statement and she has it in front of her in writing: The County will withdraw its five year notice for the following water treatment facilities and continue to obtain water capacity from FPUA - Fairgrounds Water Treatment Facility and Holiday Pines/Airport Water Treatment Facility. There is motion taking place. The County is making suggestions. They are attempting to remedy things. And all she is hearing is that they are in violation. The County is attempting to fix that at least in some respects here. She also sees a five year estimate of water demands. It is not called a projection, it says it is an estimate.

Is this acceptable or not? She would like to know if that is what they are looking for; or if there is indeed something else that is required? Those are at least two items they are still discussing that seem to have been offered as suggestions or solutions today. So she thinks there are some things here that they probably could proceed on and they are just kind of getting lost in the general confusion, which is why she thinks Commissioner Coke's suggestion that they narrow it down to a few items perhaps and deal with it one by one would be good. But quite honestly, so she doesn't feel like she has entirely wasted her afternoon, she would like to know if the estimate is indeed acceptable or do they need something else; and is it acceptable that the County is withdrawing its five year notice for the following water treatment facilities?

FPUA Director Boudreaux said he stands corrected. They do have a five year flow projection from the County. It was dated June 7th.

His letter of May 16th is the letter that said they need to have that projection. The letter of June 15th referred to projects that the County needs to undertake to continue to be able to provide service to the north County. And they need to know whether or not the County is going to adhere to the Agreement as is. The thing about the five year projection, the five year notice on water projections, the water rate that the County is enjoying right now is a very generous rate on the part of FPUA. They are not inclined to accept that as part of the solution unless they talk about maybe renegotiation of that rate. As he said before, they will talk about renegotiating the wastewater rate.

County Chairperson Hutchinson said just so she is clear, just a minute ago Mr. Boudreaux said no renegotiation, now she is hearing different.

FPUA Director Boudreaux said the rate. That doesn't mean renegotiating the Agreement. The rate can be changed; and the Agreement does provide for rate changes.

City Commissioner Coke said so what Mr. Boudreaux is saying is, on his letter of May 16th, actually the only item that he was still considering the County allegedly in violation of was Item #1. And now at this juncture they have that information?

FPUA Director Boudreaux said yes. That was the most important one.

City Commissioner Coke said that was number one. So now the letter of May 16th they are done with. Mr. Anderson has nicely provided the Commissioners with the withdrawal of five year notice for water treatment facilities to obtain water capacity for the fairgrounds and Holiday Pines, so there is their second major stumbling block.

FPUA Director Boudreaux said that is good for the County, but that is not good for the U.A. They need to include either a rate change in the water or include withdrawal of the five year notice of the wastewater as well.

County Commissioner Smith asked why do they have to now include going back to a rate change?

FPUA Director Boudreaux said he is just saying, if that is the problem with the County... It is a problem for the U.A. to continue selling water forever at that low rate. The U.A. offered last year to renegotiate the water rate and the wastewater rate, an increase of water to \$2.25 and reduction in wastewater to \$3.60. City Commissioner Coke said they are not looking to renegotiate the Agreement they already have at this juncture. What they want to do is live up to the Interlocal Agreement. They want everybody to live up to the Interlocal Agreement as it was written. Then later on, once they get that moving smoothly, they can move forward if they need to renegotiate or re-examine. So if the County is withdrawing this water treatment plant and the wastewater flow is going to go to South Hutchinson Island plant until such time as an alternate agreement is made, why are they still sitting here?

FPUA Director Boudreaux said the County has given the U.A. a five year notice to construct wastewater facilities, he thinks it was effective March 11th. They are fine with that. They just want the County to continue to live up to the Agreement, which they have not done in the past.

City Commissioner Coke asked is Mr. Anderson withdrawing the water treatment proposal here per his agreement?

County Administrator Anderson said what they said was that they gave the Fort Pierce Utilities Authority a five year notice on the Holiday Pines and the Fairgrounds water treatment plants. They are withdrawing that. They are going to buy their bulk water from the U.A.

City Commissioner Coke asked they have given the five year notice on whatever else they need to do?

County Administrator Anderson said the wastewater plant, which is under discussion at this point.

County Attorney McIntyre said this was part of a comprehensive settlement proposal. The Board has not voted on it yet. It is a staff proposal to try to achieve resolution.

City Commissioner Coke asked but staff is going to propose that to the County to do that?

County Attorney McIntyre said that is what staff was suggesting. It was part of three or four points. That was the first point of three. But the Board has not voted on this at this point.

County Administrator Anderson said the second point was that the County would work with the City on the Selvitz Road wastewater plant and their wastewater would flow to that plant, which he thinks is what the U.A. had recommended to them. They are going to recommend that to the Board of County Commissioners. And finally, it was the wastewater treatment down on the Island where the County would recommend to the Commissioners that if they reached an agreement that they would begin planning for that plant now at the Airport.

County Commissioner Smith said for a replacement plant.

County Administrator Anderson said it would eventually be the replacement plant for the Island plant.

FPUA Chairman Drummond asked but aren't they suggesting that this Agreement suggests that the flows to the Island would be reduced?

County Administrator Anderson said no, not reduced. Future flows to the Island would not go there. The flows they are receiving today they will continue to receive, so they will still have that revenue stream they are receiving today. They are not going to lose that revenue stream.

FPUA Chairman Drummond said but he is saying that the Agreement suggested that future flows would come to the FPUA as well.

County Administrator Anderson said yes, it did. However, it also said in the Agreement that they would work together to get that plant off the Island. This would be taking that first step.

City Commissioner Nelson said he certainly would hope that when staff comes back, they would bring back some definitive time frame for relocation of that Island plant. If they can throw in there a cost sharing effort or some type of thing to insure that they don't lose revenue streams, it certainly would be appreciated.

County Commissioner Craft said each of their Boards have appointed a member of their respective Boards to a Task Force. Maybe one of the charges they can give to that Task Force is to find an economical way of relocating that facility, if that is something that all three parties could agree on.

County Chairperson Hutchinson asked could they start off with trying to find a way to get a solution here?

County Commissioner Craft said what he is saying is, he is trying to get it out of this right here into that Task Force, in a smaller more manageable group.

County Chairperson Hutchinson said she thinks that Commissioner Coke and herself and somebody else even had suggested to go back, put the points down, figure out what they are, and then come back.

County Commissioner Craft said he thought they were done with that actually. He thought they already solved all the issues except for the location of that wastewater plant. He could be wrong but he thought they were there.

Mayor Benton said that is what he thought. He thinks the Task Force can take care of the rest of these items.

FPUA Vice-Chairman Summerhays said he doesn't think there are any Fort Pierce Utilities Authority Board members who are not in favor of removing that wastewater plant from the Island as it becomes economically feasible to do so. They have been at about a \$40 million price tag for a replacement plant. He is familiar with the engineer who works for the City of Port St. Lucie when they built their wastewater plant and he says that is low, way low. They will know when the study finished. In any case, it is a very large sum of money.

City Commissioner Nelson asked what is the time frame on that study?

FPUA Director Boudreaux said he has to ask Mr. Thiess, do they have an estimate? The engineering company is CH2M Hill who is commissioned to do that.

Mr. William Thiess, Director of FPUA Water/Wastewater Systems, said he believes they are at least four or five months out.

FPUA Director Boudreaux said the answer is four to five months away from getting the report.

FPUA Secretary Haynes said Mr. Boudreaux sent a letter to Mr. Anderson on June 15th giving five additional projects that need to be completed. Where do they stand with those five projects?

County Utilities Director Bowers said Item #1, the 12-inch force main on Orange Avenue, that hasn't been resolved because of where they would have to go to get there to utilize that. Item #2, the completion of the 16-inch force main to Taylor Creek, that has already been approved. It was put before the Board on July 26th. The Engineering, the same time by Masteller & Moeller. As soon as the engineering is done, they will do the project. That was funded by this Board through the \$7 million loan they made some time last year as part of the FPUA \$3.8 million. That has been approved by the Board. The Taylor Dairy Road varied from St. Lucie Boulevard to Angle Road, Project 6. They are not ready for that. They simply don't have the funding for that. So depending on where this Board goes from this meeting, in which direction they go as to whether they might fund that or not, they simply are not there yet.

Item #4 is the 12-inch water main on Rock Road between Okeechobee Road and Research Center Road, that they will probably end up doing only because of the Research Center and other things that are happening. But again, they are not there yet. They do not have the funding for it and are not there yet, but they haven't said no to that. Item #5, construction of the 12-inch water mains on North 25th Street and U.S. #1, that is an extension of lines based on how the water would be needed. Again, they are not there yet. They

don't have the funding for that right at this time. They will have because it is part of the \$3.8 million. But the way it is working, they don't have that funding right now. He does not think they would say no to any of these, particularly the water mains and the water main loop - Items #3, #4, and #5 - particularly if this Board agrees that they will buy all of their water in bulk through the City. They wouldn't have a reason not to participate in that. It is a timing issue, an as needed thing, rather than not doing it.

FPUA Secretary Haynes said he assumes the County would inform the U.A. when they are ready so they can project that into their construction fees.

County Utilities Director Bowers said they will try to keep in touch with the U.A. staff.

County Commissioner Craft said one things that Mr. Bowers said, if it is this Board's direction that they buy all of their bulk water from the U.A.; but he thinks that the previous Board had said that through action with an Interlocal Agreement. And they haven't made any formal change to this to say whether or not they were going to get out of this contract or continue with it or anything.

County Utilities Director Bowers said no, it is just that in one of the other issues, he believes it was the May 16th letter, they discussed getting water and wastewater treatment capacity on an accelerated schedule for Waterstone. That is simply not true. They are going all water with FPUA, so they would not be expanding the Holiday Pines water plant at all. That is all he is indicating, is that all water service would come from FPUA as the Agreement states.

County Chairperson Hutchinson said she thinks it is the wastewater that is in question, not the water.

County Commissioner Craft said but that goes back to his question. Again, the previous Board signed an agreement that the FPUA would be their supplier for wastewater. Up until the five year notice is up, just for all arguments sake, they would be the supplier of that wastewater. So should they not on this date, until the five years is up, be working towards that goal?

County Administrator Anderson said yes, that is true if they want to do that. Once again, then they won't have the reclaimed water. They put the pipes in the ground and all in the north County for reclaimed water for a future point in time; but until that day comes they have the plant at the Airport, they will not be able to provide reclaimed water, so those people will be drilling wells or whatever to get reclaimed water to their projects.

County Commissioner Craft said yes, he understands. The only point he is trying to make is that he wants the City and the U.A. to understand that it is his full intention to live up to their Agreement. If they can improve on this, then they need to work together collectively to do so. There are two ways of looking at the County now - they are either a customer or a partner. Either way is fine with him, however they choose to do it. But he comes from the business world where he had sold a product and he tried to address his customer's needs. If they have a need of wastewater reclaimed water, that is what he is asking respectively that the U.A. and the City help provide the County.

County Chairperson Hutchinson asked where are they?

Mayor Benton said it appears they solved the biggest issues. And he thinks what the problem is - and they have a Task Force - is communication amongst their staffs. Unfortunately, it came to this, the last six months of letters back and forth. Maybe if they were required to meet regularly like they have; and with this Task Force, if there is an elected official there overseeing things, maybe things will move on a little better, so they don't have to come here with 15 of them trying to hash out issues they don't know a lot about.

City Commissioner Coke said she has a question just for a point of clarification. There have been several of them from each and every Board that spoke that reiterated the point that they should all be looking to live with and make each other feel comfortable, that they are all striving to live within and live up to their obligations of their original Agreement. She thinks the level of concern rises in that she says it and Commissioner Craft says it, they don't have a consensus. She thinks if they have a consensus from each board that will let staff know they are all intending to live up to the letter of their Agreement and it is their specific point that if one entity needs assistance with or renegotiation on that, then they can address those. But she thinks at this juncture, she would feel more comfortable if they have a consensus from all three Boards that they were all attempting to work within the parameters of their original Agreement, she would feel much better.

County Chairperson Hutchinson said she 100% agrees with Commissioner Coke. Her concern however lies in that is where they started. They have sent this response to the staffs for the past two years; and what happens is, the finger-pointing starts, the devil is in the details, and it is misinterpretation or a difference of interpretation of the Agreement. So again, she prefers to use Commissioner Coke's idea. Having a consensus is not a problem, but her idea of putting it on paper from all three entities where the issues are, because that is what was lacking today.

City Commissioner Coke said she thinks that is good. Her concern is now, she thinks that staff at whatever level or from whichever entity, has somehow misconstrued the fact that they may want to redefine or examine certain points of this Agreement more carefully to mean that they don't want to live with this Agreement. She would like to send a clear message to staff that they do want to live with this Agreement. If they need to re-examine the specific issue or several issues, then they need to do that in writing jointly and have everybody respond properly. But she thinks some place along the line, the idea that they are going to live within this Agreement has been misinterpreted or lost by people.

City Attorney Schwerer asked can he straighten something out legally here? They are in the final phases of Conflict Resolution as they sit here today. Under Chapter 164 - and Mr. McIntyre and Mr. Koblegard he is sure still agree with him - the Fort Pierce Utilities Authority, as the primary conflicting agency, has provided notice to the County through a resolution that was adopted by its Board that there were substantial breaches of the agreement.

There have been a number of communications back and forth from staff. The City of Fort Pierce joined in that resolution and adopted a Conflict Resolution. They met at the staff level in an attempt to resolve that. And he resents any inference that staff,

particularly his office - and he is sure Mr. McIntyre and Mr. Koblebard would resent any inference - that the attorneys have not brought forward the issues in the proper manner and have briefed the management staffs, Mr. Anderson and Mr. Boudreaux and Mr. Beach, in that respect. The problem has been that this has been a moving target. The Conflict Resolution is on issues with the County sending notice stating they were going to plant their own plants. When it was determined that was illegal under the Agreement, the County withdrew that. Then they got into the situation where there were no flows being projected for the North County when they had information that there were 24,000 units going on line at some point in time through DRI's. The developers have been calling the City. The developers have been inquiring concerning about the availability of water and sewer for these units. And they got no flow projections. There have been agreements that were negotiated for Portofino. The Utilities Authority signed on some dry line permits; and they were told in a formal letter from the County, they were not going to serve those developments. Now if they are at a point where they have resolved all those issues, fine; but he doesn't think they have. The staff has met. And when they met, they were told that the County staff cannot resolve the issues. They showed up here today and they heard from the County that they want to propose a whole new Agreement whereby they get to build a sewer treatment plant in the north County and that the sewer treatment plant is going to take the flows from the north County, when they have a signed Agreement that was negotiated by all the boards, all of these people sitting here except for the newly elected ones, two years ago that said those flows were going to go to the Island plant and the capital was going to be built up. There are proposals on the table today that they have discussed about violating this agreement. They are all free to make their own choices in renegotiating this. But they are at the final phase of Conflict Resolution. The City voted to go to Court if they did not get compliance with this Agreement from the County. The Utilities Authority voted that. They have one more opportunity. It is not a question of staffs getting together.

It is not a question of the Task Force getting together. They are in formal Chapter 164 Conflict Resolution. The next meeting if they choose, if they say today they have not resolved the issues, the next meeting is with a mediator and thereafter it goes to Court. So he would encourage them, at least he would encourage the City of Fort Pierce, to focus in on do they want to schedule another meeting of this Board to further define the issues for Conflict Resolution to determine if they can do that without the benefit of a mediator; or do they want to go right to mediation where they have a facilitator? That is what is on the table for today. That is the course they started on and that is where they are at legally. Of course, unless they tell them to drop the Conflict Resolution.

City Commissioner Coke asked could Mr. Schwerer please define for her... Because she had assumed that once Mr. Boudreaux got his projections and the County has agreed not to withdraw its five year notice for the water treatment facilities and that they agreed that they were just about to take a consensus that they are all going to live within the terms of the original Agreement unless at some specific time someone sends something in writing to renegotiate a specific point, that the City is going to agree and the Utilities Authority is going to agree and the County is going to agree to live within the terms of that agreement. Can he please tell her very specifically what other items they would need to resolve here today to have this put behind them so they can all move on?

City Attorney Schwerer said let him start with this. He has not heard the County officially vote to withdraw its notice to proceed with the construction of those facilities. When they do that, that will remove that issue from Conflict Resolution. That will happen if they move and so approve that. The second thing is, they started this meeting off with a County proposal to modify the Agreement, which has not been agreed to. And they have accomplished some discussion here today about flows. He thinks Mr. Boudreaux and Mr. Koblegard need to look at whatever happens today and determine if there are additional issues. First of all, what issues does that resolve? Secondly, are there any additional issues left undecided? Because as he heard the discussion today, the County was attempting to convince the City and the Utilities Authority not to agree to live up to Paragraph 5(c) of the Agreement by sending all flows to the South Hutchinson Island plant, but instead agree to let the County build its new wastewater treatment facility in the Airport and the justification given for that was to provide reclaimed water to the north County residents.

Folks, he is not a utility expert, but reclaimed water is a byproduct of sewer treatment. They do not create a sewer treatment plant and build a \$40 million, \$80 million, or \$100 million plant to provide reclaimed water. It is a byproduct that they try to get rid of. They either inject it into the ground or they let people sprinkle their lawns with it. But they don't build \$50 million and \$100 million plants simply to provide people with water to sprinkle their lawns. They can drill water irrigation wells. But he is not going to tell this Board how to deal with its utility issues, because he is not an expert. All he can tell them is they have to re-evaluate what issues have been resolved. He can't tell them that, because this has been a convoluted discussion about different proposals that modify the Agreement.

City Commissioner Nelson asked how long does this Conflict Resolution go on? Is there a time limit as to how long they can talk?

City Attorney Schwerer said yes, there is a time limit. Let him back up. They were required to have this meeting within so many days of the original notice. And staff did what they needed to do to first meet and they attempted to define those issues. That is what they had in front of them, the letters. This Board meets today within a 50 day time frame which they complied with as far as he understands. They need to then schedule a mediation within so many days of this per statute. He believes Mr. McIntyre and Mr. Koblegard will agree with him. He doesn't know what that time limit is, but there is a time limit. And then they need to put on the table at the next meeting those issues that they resolved today so they are no longer part of the Conflict Resolution. Staff can do that if they can understand what they all agreed to do today and they will schedule that meeting.

City Commissioner Coke said she thought they agreed to live up to the letter of the Agreement. What Mr. Schwerer is saying is that what they have done isn't valid until the County votes to withdraw the water treatment plant?

Mayor Benton said let's ask Mr. McIntyre if he has heard... Because he knows their issues were with the County and the County's Utility Department. Have those issues been cleared up today from Mr. McIntyre's point of view?

County Attorney McIntyre said certain of them have. He thinks that the flows, some of the information on the construction the County has agreed to do. The Board, as he indicated, has not really seen or taken official action on the settlement proposal. He thinks it was just officially presented with this proposal at the same time they all were today, so they have not had the benefit of thinking about that. So he thinks what they will need to do as a Board is regroup as a Board of County Commissioners based on the results of this meeting, have the Board give them some direction as to how they proceed further. It may be that they have resolved all the issues in the Board's mind; and if they have, they can convey that to the City and the U.A., and then perhaps there will be no need for mediation. If there are remaining issues, they can perhaps narrow those. There may be a desire on the part of the Board to renegotiate certain portions of the Agreement. Perhaps there seems to be a desire of the U.A. to renegotiate rates. Perhaps they can couple that with the ability to perhaps develop a strategy that might be acceptable to all three entities to redirect the flows to a northern plant, but yet at the same time financially accommodate the City's and the U.A.'s desires and not be financially responsible for all or a great portion of the cost of decommissioning the Island plant. Perhaps they can accomplish that. Maybe that might be a goal that they can be directed by their Board to try to come up with to see if that is an alternative, along with renegotiation of the rate. Those are possible alternatives that the Board has as a result of this meeting. He doesn't want to lock the Board in, there may be others that he hasn't thought of. But he thinks what the County will do is discuss this at a Board meeting, get further direction from the Board, and then they will get back to the City and the U.A. with that. Let the Board tell them what they want to do policy-wise and then they will proceed.

Mayor Benton said have them take an official vote and then that response would come to the City and the U.A. Board for their response and official vote and they take it from there to the next step.

County Attorney McIntyre said they will have to decide if that is acceptable or not.

City Commissioner Coke said her concern is, what she is hearing Mr. McIntyre say is not what she has heard this Board say. She thought they were all talking about going back to the original Agreement and agreeing to live with that; and then possibly looking to address one or two points in the future that may be needed to be renegotiated or re-examined, not to look to re-write the entire Agreement. She thought they were all saying okay, they are going to go back to the Agreement they all had two years ago; and if there is a point about reclaimed water, then aside from, without violating the original Agreement, they will go back and look at that point. That was her understanding of where they were all going here today. Let's go back and in good faith each of them show they meant what they said when they signed this; and then if they want to take one point at a time to look at it separately, not in violation of their Agreement, carte blanche violate the Agreement and then get them to Conflict Resolution. All those things that want to be done that are in violation of this Agreement should be sat down and worked out prior to becoming official policy and putting them into Conflict Resolution. She doesn't think they should ever be at this juncture again in life. She thought two

years ago after the hundreds of hours of Conflict Resolution they had that they resolved it and they were moving forward. She never thought they would be sitting here again.

City Commissioner Nelson said there are a lot of people out there, developers in particular, who will look at them as to what they are doing relative to resolving this issue. There are many projects on line. People are losing money. The general public is looking at them for indecisiveness. They need to resolve this issue and move forward. He thinks they have the wherewithal to do so if they are willing to do it. He thinks that Commission that adopted this Agreement they have before them today was fairly sincere in their efforts. They had no axe to grind, nothing to lose. And some of them are not here now, they have gone to greener pastures. It is incumbent for them now to make the determination that allows this thing to be in fact enforced and serve the public as it was intended to do. Time is of the essence, as Commissioner Coke always says, backed up by their number one lawyer. They need to get this thing finalized to some extent and relatively fast.

County Commissioner Coward said very briefly he just wants to follow up on Commissioner Nelson's comments. He thinks that is a really good point. Because what the St. Lucie County Commission did was try to vote in a fashion that they thought was also beneficial to the City of Fort Pierce and also to the U.A. They were truly looking for a win/win/win and he thinks they were sincere in trying to achieve that. He thinks that is a really important point. Personally, he is fully behind the spirit of that Agreement. The point though is there are areas of the Agreement where different legal minds are different. So he doesn't think it is fair to suggest that the document as it is is perfect in all regards. They need to tweak some of these gray areas. They need to have some good discussion on those areas. He is just not sure if it is the Task Force or whether they need to have a follow up meeting, but he thinks they do need to pinpoint those a little more clearly so they can try to resolve them. But the bottom line, he does, he can't speak for anybody else, but he certainly is interested in trying to take that first big step and follow it through so they can not have to come back again and again and again on the same issues.

City Commissioner Coke said it is her understanding from Mr. Schwerer that they are already involved and they are at a no turn back point. Maybe what they need to do is set a date for mediation and have everything clarified prior to that and maybe they can resolve it prior to mediation.

City Commissioner Becht said he thinks they have ironed out a few issues. The one issue they keep avoiding now as they are wrapping up is the wastewater issue. He would like a consensus from the Board, not staff, but the County Commission as to whether or not they understood the Agreement. He hates as an attorney and he hates as a politician pulling certain parts of an agreement out, because they can really bend an agreement to the breaking point. But the Agreement Exhibit 4, Paragraph 5(c) states that ERC's for wastewater treatment will be issued FPUA and the St. Lucie County bulk wastewater customers until 100% of the capacity is reached for the Island plant. He has heard certain comments today from the County Board members which indicates they either didn't understand that or don't like it now. If that portion of this Agreement is to have any value, the County is going to commit sewage from the north County to the Island. As they read that today, that is what he

understands. As he read it before, that is what he understood. But he is hearing certain comments from the County Board members that lead him to believe they either didn't understand it that way or they don't like it today. So he would like some feedback from the County Board on that issue.

County Chairperson Hutchinson said all she was going to ask is that everybody have the ability to have the benefit of having Paragraph 5(c) in front of them.

City Attorney Schwerer said he has extra copies of that Interlocal Agreement. If anybody wants it, he will pass it down for them. There are several of them.

County Chairperson Hutchinson said she has it. She just didn't know who did and who didn't. It goes back to not having everything in front of them.

County Commissioner Craft said he understand this as Commissioner Becht does. There is also another provision in here that says they are allowed to give a five year notice to provide wastewater for their selves, and that is where they are. But what he thinks the County was doing, or at least it was his intention, he is not going to put any words in anyone's mouth, it was his intention that they would work with one another, give an option to the U.A. to work with them in the construction of that facility, because it is obviously going to be needed in the future for the greater Fort Pierce area. He agrees with that. He understands Commissioner Becht's interpretation because it is the same as his. But what he does say is that they have given their five year notice that the County would like to build their own facility, not because they want to have their own facility, but because they have needs in north County that they cannot get from the U.A. The U.A. has not said they would not give it to them, the...

County Chairperson Hutchinson said she will just follow up with what Commissioner Craft said. If they look at Paragraph 19 in the very same Agreement, basically they agreed that if they elect to construct water or wastewater treatment capacity for new development not already served that the five year notice can go out. In their Comp Plan and in everything they had done, they had always promoted and mandated when available that the County would move forward with reuse. She is not looking personally to go back on that. They need a way of doing that in the north County. And her understanding is that the FPUA is not allowing that or they don't want to get into that part of it. Just to go one step further, she would like to refresh everyone's memory that was one of the issues that was pointed out in the very beginning of this meeting that everybody was side tracked and led astray with the County bringing the South Florida Water Management here. That was the issue, to move in that direction based on now what has come out of State Legislation on Senate Bill 360, which actually mandates it by year certain. They are talking about the cost of these facilities. There is the opportunity, both by South Florida Water Management and now by the State, to get additional funding. They are all sitting here pointing fingers and nobody is looking out there at what is available for them to move forward.

County Commissioner Coward said he doesn't want to confuse them further, but he didn't get into the wordsmithing of this legal document. They got into the broader policy discussion as elected officials and asked their staff to try and refine this. And quite

honestly, he actually sees somewhat of an internal conflict in the sense that on one hand their goal in partnering with the U.A. was for a cost efficiency standpoint. And so he certainly understood that they were going to try and utilize existing capital investment; but not at the expense of being able to work in partnership to fulfill the latter goal in this same document, which is they are going to work on the mainland in a partnership to create a new facility. So if they take all of the revenue stream from that new development and fill up the remaining capacity and then have no revenues left to then achieve the broader goal which was the real spirit of this agreement, that is where they are running into problems. So they say they are going to live up to the letter of it. They are living up to one part, but it is going to cause them to fail in another. And that is why they are trying to refine this document. He doesn't think it is going to work if they say this has to stand exactly as is. It was a good starting point, but there are gray areas that need to be worked out. As Commissioner Becht has emphasized here, the wastewater component is the big issue that is still out there that they have to figure out. He will try to be open minded and flexible on how they apply that. But they have to be able to look at their ability to partner on these new plants in the north and in the south as well, not sink all of their money in lines to go to this plant. That is the best answer he can give them.

City Commissioner Coke said for the first time ever, it was clearly stated that the County Commission is looking to redefine the document. What has happened is, no one has come and said they would like to redefine the document. Everybody has gone off and done whatever they wanted to do in violation or in what was interpreted as violation of the document, and now they are in Conflict Resolution. She thinks it would have been much more productive for everyone had the County staff come and said they need to re-define this and this is why. She is not saying it would have been an easier process. But up until this very second, no one has actually admitted they want to re-define it. It was always like, they are working within the parameters; when in fact, it wasn't. That is her number one point. Her number two point is, after sitting through all those hours of Conflict Resolution and mediation that got them to the point where they had this agreement, sitting there that evening when they finally all reached an agreement, the greater good or the number one concern of reaching that Agreement was not at that point in that evening to build a wastewater treatment plant. The number one concern was not to move the plant off the Island, that was a concern and it was mentioned, but that was not the number one concern. The number one concern and the reason they finally all entered into this Agreement was that the County had a need for water at Portofino Shores and the U.A. was able to supply it. The spirit of the Agreement was not a lofty thing to provide a joint venture. She thinks that has occurred as a byproduct of it and it is a good byproduct of it. But the spirit of the Agreement that night was to help the County out. Portofino Shores needed water and the U.A. could do it and that is the only reason they got as far as they did and got that Interlocal Agreement signed.

County Commissioner Coward said he respectfully disagrees. He thinks that was part of it, but the loftier goals were certainly...

His motivation in working hand in hand with Commissioner Becht and respectively with the Boards to craft a negotiated deal that they brought back. So he can tell them from being very involved in that, that it went well beyond just Portofino. It was a much

grander goal of trying to create a longer term partnership with the U.A. and the City so they weren't fighting over annexations. Those bigger issues were much more substantial.

City Commissioner Coke said she would agree with that is what it has turned out to be.

County Commissioner Smith said he has to say he did not sign on to this Agreement two years ago, obviously. As it is written, he thinks the most important thing is that they try to get something together that works for all of them. He has been talking about it before and he will talk about it again, regionalization. Everyone has been talking about it. They know it is going to come. The question is, is it going to come on their terms or is it going to come on someone else's? He is pleased they are here trying to figure this out as the elected policy makers. No disrespect to staff, but staff is staff and staff does what staff does; and they have done their best to bring the Commission what they could bring them. But for today, obviously it wasn't good enough. But now they have taken care of all that. Now they are at the next stage of figuring out what are they going to do as far as where should plants go, where should they build new facilities. He knows he keeps hearing about the north County plant at the airport in which he believes Mr. Anderson, their County Administrator, mentioned that FPUA can even run that plant. Was that something he heard?

County Administrator Anderson said staff would recommend to the Board of County Commissioners that if the Board so desired, that it would be okay with staff to have FPUA run that plant for them.

County Commissioner Smith said so in essence, through a partnership with the FPUA and the City of Fort Pierce and St. Lucie County they would have an entirely new plant located off probably some of the most beautiful property in their County. He had lunch at the Tiki today and he was overlooking the sewer plant, a great place to have to have lunch. But it really says something to him there that there is so much potential over there. They know it may cost them a lot of money to move and it may cost a lot of time and they have another 40% or 17,000 residents who they could serve there. But if all of the stars align and they are able to work together to create a plan where, for the first time in history he believes, St. Lucie County, the City of Fort Pierce, and the FPUA could create a facility that they all take part in, they all take ownership into, and are able at the same time to decrease the visual noise of their community, because that is what that plant is, it is visual noise for them.

City Commissioner Nelson said it is kind of smelly too.

County Commissioner Smith said it is kind of smelly. Why wouldn't they? He understand the legalities of the Agreement. But just like their Constitution has amendments, Interlocal Agreements can be changed. And that is his philosophy, that they need to finally figure out... If this worked for them two years ago and it took care of what they needed to take care of two years ago, that is great. But if they are looking at a new community - and every single day more people come to Fort Pierce, Port St. Lucie, and to the County. Two years later, lets take another look. And if they are able to figure out a way that if they want to make some adjustments and make some changes, then it is their ability to say they want to make some changes and it is staff's ability to tell them yes, they will do that, what would they like to change?. He

thinks that if they all come together with a new perspective, if they have taken care of everything they need to take care of today, which it sounds like they may have done that, then lets set up another time to get together and talk about what are those things.

He loves the idea of saying let everyone create their own list of projects and saying these are the issues they would like to discuss. And it is a perfect opportunity for FPUA to do the same.

Let them know what they think has worked and let them know what they think has not worked in the City as well. It is not that one agency... He knows everyone has said that the County is the one who caused this trouble and they might have; and for that, he will apologize for that. But what he thinks they need to do now is not pointing the finger at who did what to whom, but where can they figure that part out? Where do they now go to make this work? He thinks they have 15 people committed to doing that. And now the only tension he feels is between staffs, it is not between the Board members. Lets go ahead and get this taken care of as soon as possible.

FPUA Deputy Secretary Tom Perona said as a Board member for the Fort Pierce Utilities Authority, they are confronted with many decisions. Basically their intent is to protect the rate payers and make sure they are moving along in a right direction. Over-aggression is not one of their main points, because they have to commit so far down the pipe. He thinks that is why the forecasts were so important to them to be able to see the usage down the line and they can take their staff and get them planning accordingly. And the spirit of that Bulk Water Agreement was he thinks violated, as far as he was concerned as a Board member, because he is seeing all these intentions that are thwarting everything that they were going hand in hand and agreeing with. These major decisions that are coming down the pipe may not be in the County's hands, but they are in the FPUA's. They have to make those decisions accordingly.

He would sure like to know that he is making decisions in a partnership with people who are all agreeing with it and they are moving their community in the right direction. He does not have that feeling. He is not a politician. But he doesn't have that feeling. The letters that are being bandied back and forth are confusing to them all. They have to make multi-million dollar decisions right now about the future on those and it is very, very confusing. He thinks the resolution to this is in that Agreement.

He needs people to stand up and say they signed it, they are going for it, that is their Agreement, they are going to stick to it. From that point on they can move forward. They want to know why the plant hasn't moved even closer to coming off the Island? It is because they can't get along right here. The Utilities Authority Board has said millions of times that they want that off. It is unsightly, it is there, it is functional. But they have a commitment to their ratepayers and the people of this community to do it in the right way. They have the ability right here in this community to be able to do it - the County, the City, and the Utility Board. Lets join together, lets take their Agreement hand in hand and say they will agree with those. Lets move on to things that are more productive for the people of this community. Because as a Board member of the Utilities Authority, he is not going to venture forward on anything unless he feels comfortable for the ratepayers to do so. And at this moment in time, he does not.

FPUA Secretary Haynes said it appears that the wastewater issue is that the Agreement very specifically says that the wastewater plant will not be moved until 100% capacity is reached. It appears that the County is saying that is not the case in their view point, they

want the wastewater plant moved off that property before the 100% capacity has been reached. It appears to him, that is the issue right now. Maybe he is wrong.

County Commissioner Coward asked can he follow up on that? Because he thinks they are starting to get to the heart of the issue to some degree. They obviously built that plant initially outside of all that growth. They anticipated capacity needs within a closer area; so certainly the excess capacity they have, they anticipated having new development take... They didn't anticipate the County stepping in and filling up 100%. So maybe that is an area they can look at. Personally, he is not trying to speak on behalf of the Board, he is not opposed to try to fulfill that intent of working with the FPUA to utilize existing capital. His concern is that they have another goal, which is to achieve regionalization and partnership in the investment. If they put all of their money into the South Beach plant, what he is hearing is that he then loses the opportunity to fulfill the other spirit of this Agreement, which was to have that partnership. How do they balance it so that they can maximize cost efficiency of the investment the FPUA has made at the South Beach plant, but not lose the opportunity to invest in new facilities as well? Maybe that is where they have the ability to try to fine tune this a little bit. He is not trying to undermine the spirit of this Agreement. He is trying to figure out how to implement its entire spirit, not a piece of it.

City Manager Beach said if he may ask a question just for clarification of Commissioner Coward. He has heard several times the suggestion that the impact fees being paid by the County to FPUA were going to be an expense of expanding the existing wastewater treatment facility. Is that what Commissioner Coward is saying? Or is he saying that it is going to take in all those impact fees simply to build the lines to get the wastewater to the facility?

County Commissioner Coward said he doesn't think he said either of those. What he is saying is, when hearing from their professionals is that they invest the majority of their dollars into lines to the South Beach, they are losing the ability to cost effectively be able to undertake that regional project in the north County. He is jeopardizing the regional new facility. That is what he is hearing.

City Manager Beach said his understanding is that the impact fees paid to the Fort Pierce Utilities Authority will not go into the investment of the South Beach plant. Instead, that money will be put aside for the construction of a new facility to be built when the South Beach plant reaches capacity. That is his understanding; and he could be corrected, if it is not.

FPUA Director Boudreaux said that is correct. It can be committed for that plan. Right now they just have a capital fund that accumulates and they use funds out of that as necessary. But funds from capital improvement charges that are paid by the County can be set aside and for the specific purpose of producing the capital needs of the new plant.

City Manager Beach asked is that the current intent?

FPUA Director Boudreaux said yes.

FPUA Vice-Chairman Summerhays said he will take the chance to speak

again and see if he can say something without getting in trouble which he frequently does. They do seem to be making a lot of progress here. And it appears to him that one of the problems is whenever they talk about this north County wastewater plant, it is immediately the north County wastewater plant at the Airport. Now Mr. Boudreaux told them earlier that is not beneficial for the Fort Pierce Utilities Authority and yet they want the FPUA to partner in it. Now if they really are going to partner in it, it would seem like the location of it would be one of the things that was decided together. If they can continue down that path, he thinks they have a much better chance hopefully bringing this thing to fruition and actually doing it. If they are going to be dictated to, it is not likely to happen. It is just that simple.

County Commissioner Craft asked is it the location of the Airport or the timing of putting a facility at the Airport that makes it not work for the U.A.?

FPUA Director Boudreaux said it is really the timing. They are forecasting that they have to have a new plant on line of approximately 5 million to 6 million gallon a day plant on line by 2009 and they plan to do that.

County Commissioner Craft asked at Selvitz Road?

FPUA Director Boudreaux said that is the Selvitz Road plant. That site could probably handle a 20 million gallon a day plant. And he doesn't know that it would ever be built. He doesn't know how much further it would go beyond a 6 million gallon a day plant. He is estimating that in probably 10 years they would have a need for treatment capacity in the northern area. It could all be treated at one point; it is just a matter of the pumping cost, the pipeline construction cost, and the treatment cost. Because there is a diminishing return on pumping sewage so far that by the time it gets to the plant, they have a really serious problem in treatment, so there are some practical limits to how far - he should say how long - they can be pumping sewage. But from his professional judgment, two plants - one on the south side of the area and one on the north side of the area - is the ultimate build out of capacity for northern St. Lucie County.

County Commissioner Craft asked the U.A. has not purchased any property in the north County for that expected plant?

FPUA Director Boudreaux said no, they bought the Selvitz Road property in about 1991 with that intention.

FPUA Secretary Haynes asked but the issue is the County must have reclaimed water before that date?

FPUA Director Boudreaux said yes.

FPUA Secretary Haynes said that seems to be an issue that is pending right now. According to the Agreement, the U.A. cannot provide the service, then the County can provide that service.

County Commissioner Craft said yes.

County Chairperson Hutchinson said how easy that was.

County Commissioner Craft said he doesn't want to do it personally. He would like to see the FPUA do it.

FPUA Secretary Haynes said he stated before this meeting that if money can be found to do that before 100% build out of the plant is there, and if it would not affect their ratepayers, he would be willing to go for it, if it happens within the next 50 days while he is still on the Board.

County Commissioner Craft asked is it possible, if the funding is available, not to replace that facility but to get it started? Is that something that the Board members of the U.A. and the City could support?

FPUA Secretary Haynes said he would consider that. He would have to see the proposal, but he would consider that.

County Commissioner Craft said he is sure there would have to be some sort of a cost sharing thing worked out with it. But is that something they could consider?

FPUA Vice-Chairman Summerhays said as long as it doesn't negatively impact their ratepayer, he thinks it is.

County Administrator Anderson said they just want to get it started. The other plant will stay on line; and eventually their flows can come to that plant.

County Commissioner Craft said he was just trying to say it a different way. He is just looking for some sort of consensus.

FPUA Secretary Haynes asked how are they going to get there?

County Commissioner Craft asked do they need to send a proposal to the U.A. and the City from the County as to what they are talking about specifically with a north County facility if it is suitable in the location with the U.A. for future needs?

County Attorney McIntyre said that is what he was suggesting, is that they regroup at their next Board meeting or the following Board meeting and try to get specific direction from the Board as to where they are with all these issues and then get back with the City and the U.A. and perhaps narrow the issues or eliminate them. And if they have counter proposals they want to make, they do that at that time.

County Chairperson Hutchinson said just for the record, tomorrow would not be a good meeting to discuss it. The following week is a night meeting and she knows that agenda is backed up. So just so everyone is clear, she is not trying to stall discussions on issues, but there is...

County Attorney McIntyre said August 23rd.

County Chairperson Hutchinson said either that or do a special.

FPUA Secretary Haynes said he has one more suggestion as well. When the County Commissioners meet to consider this issue, he thinks they should have a very specific concise list of any other outstanding issues.

County Chairperson Hutchinson said she could not agree more, because she thinks that is where they are all still... To her, that still definitely needs to be done - that the U.A., the City,

and the County still need to put down on paper what issues, so there is not a last minute surprise. This will be done and circulated back before August 23rd. All three boards have to do it.

County Administrator Anderson said yes.

FPUA Secretary Haynes said he thinks a motion is in order for the U.A. Board to direct staff to submit that request to the County.

Motion was made by FPUA Secretary Haynes, seconded by FPUA Deputy Secretary Perona, that a list of specific and concise outstanding issues between St. Lucie County and the Fort Pierce Utilities Authority and the City of Fort Pierce be brought before the full Board for approval and then submitted to the County staff as soon as possible within the next seven days.

FPUA Chairman Drummond asked just for clarification, it would be his intent that the list come before the full Board for approval ahead of going to the County and the City?

FPUA Secretary Haynes said yes, he would like to see that before it goes to the County.

Those voting in favor of the motion were: FPUA Board Members Haynes, Perona, Summerhays, Benton, and Drummond. Those opposed: None.

Motion was made by City Commissioner Coke, seconded by City Commissioner Becht, that City Staff put together a list within the next seven days of any major issues that they have going on with this Interlocal Agreement and that it be presented to the City Commission and then sent to both the Fort Pierce Utilities Authority and St. Lucie County.

City Commissioner Nelson asked would that include the relocation of that plant?

City Commissioner Coke said whatever staff feels is an issue.

Those voting in favor of the motion were: Commissioners Becht, Coke, Nelson, and Benton. Those opposed: None.

County Chairperson Hutchinson asked would anyone from the County Commission like to make a motion?

County Commissioner Craft asked to they even need a motion? He thinks they have given clear consensus to staff about the direction they are going to go.

County Chairperson Hutchinson said just for the record, she would rather it be a motion since the other two boards have taken it as such.

Motion was made by County Commissioner Craft, seconded by County Commissioner Coward, and unanimously carried, to echo the motions made by the Fort Pierce City Commission and the Fort Pierce Utilities Authority Board.

City Commissioner Coke said now that Mr. Schwerer is dying over there since they all moved forward without any regard to his legal advice, she assumes he and Mr. McIntyre and Mr. Koblegard can

handle the legality end of this, whether it means scheduling a mediation that they might later postpone or cancel or whatever it takes?

City Attorney Schwerer said they will make sure that all three Boards are in compliance with the law.

County Commissioner Coward said one last comment because he knows they are all trying in good faith to move forward here, but they are still missing a key issue on wastewater and he would like to get some direction to staff to look at... Obviously he was talking about that balancing act of trying to work with the U.A. with their existing capacity, but also retain funds sufficient enough for them to invest in these future facilities. They need to break those numbers down in a little bit more detail and do it in conjunction with the City and the U.A. in terms of their anticipated growth. Do they really want to have the County take up all 40% of the remaining capacity? Or is there some ground in between where maybe they can anticipate giving them a certain number of customers. they retain capacity for the existing 6,000 that are coming on board and maybe however much more they anticipate, but try to refine those numbers a little bit more to see if they can meet the capacity issues on South Beach but also retain enough dollars to then make the investment in those regional mainland facilities as well. Did he lose people on that?

County Administrator Anderson said no, they understand.

County Chairperson Hutchinson asked does Mayor Benton like to entertain a motion for their Board to adjourn:

There being no further business, the joint meeting was adjourned at 4:50 p.m.

Adjournment.

ATTEST:

CITY CLERK

MAYOR COMMISSIONER