From: Shalley, Nicolle M.
To: Bielarski, Edward J
Subject: RE: Gordon conversation
Date: Tuesday, March 21, 2017 12:30:44 PM

Call me when you have a moment (ext. 8747), I need to update you related to the arbitration. Thank you.

Nicolle M. Shalley
City Attorney
City of Gainesville
352-393-8747 (phone)

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-----Original Message-----
From: Shalley, Nicolle M.
Sent: Tuesday, March 21, 2017 11:51 AM
To: Bielarski, Edward J
Subject: RE: Gordon conversation

A revised draft per our conversations.

Nicolle M. Shalley
City Attorney
City of Gainesville
352-393-8747 (phone)

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-----Original Message-----
From: Bielarski, Edward J
Sent: Tuesday, March 21, 2017 7:23 AM
To: Shalley, Nicolle M.
Subject: FW: Gordon conversation

Nicole,

As you can see from my notes with Jim I told him that I'd be getting him a revision, which corrected the misperceptions he had (i.e. "stay" on arbitration immediately upon our signing, real withholdings and withholding ability on all pending claims and counterclaims).

Edward Bielarski Jr
General Manager
Gainesville Regional Utilities

-----Original Message-----
From: Bielarski, Edward J
Sent: Monday, March 20, 2017 10:00 PM
To: Brown, Thomas R; Locke, Justin M
Subject: Gordon conversation

Folks,

I had a follow up conversation with Mr. Gordon tonight. Just to fill you in on his points I'm sending out this e-mail. Briefly this is the substance of the conversation:

Jim was under the impression that I had agreed to a stay on the arbitration immediately upon our signing (not having to wait for the city commission). He said that was based on our conversations of this weekend. He used the example of the limited stay on the depositions (ending March 14th) as an example of my ability to stay the arbitration. First, I assured him that the stay on depositions was much different than a stay on arbitration. I also assured him that my comments were limited to placing a stay on the arbitration in the MOU which would have to be accepted by the City Commission. I also indicated that is why It has been important for me to place issues in writing so there is no mistake about the positions and issues. Bottom line: I informed Jim that I was not empowered to simply issue a stay on the arbitration.

Secondly, Jim told me that in determining the $ 7,176,xxx of withholdings he had thought interest had been included. He realizes that approximately $ 280 k had been left out, but would correct it if we agreed to also pay interest on any overage in withholdings above the Retention Gap. I said what is fair is fair.

Jim also brought up a hypothetical situation as to what would happen if the arbitrator ruled on the summary judgement motion before the MOU was approved by the city commission. He theorized that GREC would win and asked what I would do. I told him that I hadn't thought about it but would since he brought it up. I did ask him what GREC would do since he theorized they had won. He said," well it's our money". I responded with,"I see."

Jim also seemed to think that this weekend I had agreed to not withhold monies on the unavailability issues(NERC gads issue). I told Jim that I agreed that GRU wouldn't retroactively withhold on these monies, which were approximately $ 9.3 mm at this point. However, I never agreed to stop withholding them in any particular month. In fact, I have never waivered from my position that all pending claims and counterclaims in the arbitration are subject to withholding.

Overall it was a straightforward meeting with Jim simply mistaken about some of my points made over the weekend. I ended the conversation, by again telling Jim that this is why items of this nature must be reduced to writing. I also told him that I really don't understand why this is so difficult for him, in that the future potential withholdings are within quite a narrow scope of money. In addition the longer he waits the longer it will take together commission approval.

Jim seemed concerned that both parties could proceed toward an MOU and a contract with the arbitration unstayed. I told him that I was able to handle the business conflicts just fine. I enjoyed the nature of our talks and thought we both could handle it. I also informed him that we were talking and there was no stay. Jim didn't respond.

In closing I told Jim that I expected a draft from Nicole that I could share in the morning. Jim closed with telling me that he'd be talking with his board.

Ed B

Sent from my iPad