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To:	Dl_utility Advisory Board
Cc:	Citycomm; Bielarski, Edward J; Shalley, Nicolle M.; Holt, Carlos L
Subject:	Toward a more effective UAB
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Chair Cook and Members,

As many of you may know, over the last 10 days two Florida House of Representatives subcommittees considered and approved HB 759 by a mostly (but not entirely) partisan combined vote of 19-9. The bill -- which would put to Gainesville voters in March 2018 the question of whether to create a separate governing board over GRU, and which if approved by voters would render the UAB a de jure nullity rather than a defacto nullity -- thus has emerged from the subcommittee process.

In my view, it is significant that the bill this year cleared the subcommittee process without a single amendment or proposed amendment, despite the parade of horribles trotted out in testimony before the subcommittees by the usual suspects opposed to the bill. Those suspects, this year, included, in addition to the City's paid lobbyist Bill Peebles:

(1) a former City Commissioner who voted for the GREC contract in May 2009, who privately agreed to the removal of a backout clause from the contract without informing the public (though he has "taken the fifth" in public meetings when asked about his role) and who continues to laud the GREC contract and the energy speculators he refers to as the City Commission's GREC "partners";

(2) a former City Commissioner who in 2011 was chair of the now-defunct Regional Utilities Committee and who in that role in June 2011 sat silently while GREC and GRU's then General Manager Robert Hunzinger without the apparent knowledge of most City Commissioners sold GRU down the proverbial river, as this same commissioner at the January 2017 joint UAB/City Commission meeting sat silently and without rebuttal next to City Attorney Nicolle Shalley when I brought up the subject of her June 2011 GREC-contract-related nonfeasance; as some of you may remember my comments were grounded in urging due diligence in the coming GREC purchase negotiations by, among other things, asking questions about obvious and documented indicia of fraud related to the secretly negotiated and signed June 30, 2011 secret "Consent and Agreement" that made ten amendments to the GREC contract that signed away valuable GRU rights that if reclaimed could result in a much more advantageous GREC purchase. [This same former Commissioner was complicit in the May 2011 silencing of an engineer member of the now-defunct Gainesville Energy Advisory Committee who had sought information about the GREC contract status -- a silencing enforced by John Stanton, a former GRU private contractor (who in that role assisted with the GREC RFP evaluation and selection process) and former GRU Energy Supply Officer (who in that role served co-lead negotiator in the GREC contract and administered the contract until he was fired by new GRU general manager Ed Bielarski) -- but that's another story, and I digress]; and

(3) a current City Commissioner/Mayor Pro-Tem who told the House subcommittees who this week and last week that the 2009 City Commission had acted admirably in approving the GREC contract (whose subsequently revealed problems were the

result of a "perfect storm" of forces outside of the Commission's control, including a decline in natural gas prices she stated did not begin until 2012), and who told the subcommittees that there for concern about the current GREC purchase negotiations because there is a new Utility Advisory Board that, she said, has been involved in the GREC purchase negotiations every step of the way and whose advice has been heeded by the Commission in achieving such reforms as the hiring of GRU GM Bielarski and holding GREC to its contractual duties through arbitration.

The question of whether the UAB has been empowered to improve City Commission governance of GRU, or whether it is being used a "patsy board" -- a description suggested by UAB member Robert Walpole -- seems to have been decided in the minds of most state legislators who have considered the question so far.

Given the City Commission's demonstrated majority desire to govern GRU with undue political considerations, and given that there continues to be a resistance to considering information, facts and data that conflict with those considerations, I am not necessarily hopeful that a separate governing board -- appointed by the City Commission -- would or could be immunized from politically-motivated decision-making that has brought GRU to its precipice. This UAB may prove me wrong as the GREC purchase "vetting" proceeds apace. In conflict there is the possibility of understanding and opportunity.

Meanwhile, I continue to believe as I stated at a UAB subcommittee meeting at GRU earlier this year, the issue of GRU governance appears likely to be put before Gainesville's voters. As I stated, in my view, the reason the GRU governance referendum bill did not proceed to a vote in the first two years it was introduced in Tallahassee was only because of technical flaws that rightly prevented it from reaching the floor of the House. When those flaws were rectified last year, the bill sailed through the legislative process (though not quite as quickly as it is sailing this year), and was approved with bipartisan support in the House (106-8) and unanimous support in the Senate (34-0). Gov. Scott subsequently vetoed the bill, as you know. As I also stated at that UAB subcommittee meeting, my understanding is that Gov. Scott in fact did not oppose the bill, and that his stated reason for vetoing the bill -- a fiscally conservative distaste for nominally compensating governing board members, or distaste for allowing voters to make the compensation decision, or something -- was not his actual reason for vetoing the bill, a reason mired in the politics of political payback and not the merits of the bill itself. In any event, those political considerations are no longer at play, and the compensation clause asserted to have been the basis of Gov. Scott's veto has been removed. And the bill is moving through the legislative process this year like greased lightning.

From what I have observed, most members of the UAB are dedicated to serving the UAB's purpose, as stated in the ordinance that created it (as opposed to the purposes of some Commissioners and others in City government whose actions and statements are at odds with the ordinance's stated purpose). In my testimony in Tallahassee last week I told members of the House local government committee that I believed that this board, if allowed to do its job, might be sufficient for GRU's governance needs, at least for now. I also said that if HB 759 becomes law and a separate five member "independent" governing board is the desire of Gainesville voters, present members of the UAB would be excellent candidates to become the initial members of the new board.

I do not believe that "a perfect storm" of external forces was responsible for the

GREC fiasco that has so damaged and split our community. There are in my view specific individuals who specific actions are responsible, and specific individuals who are standing in the way of necessary remedial action. But as spring arrives on Monday, a "perfect storm" may be brewing that could sweep away the cobwebs that so far have obscured Gainesville's way out of the GREC mess.

Whatever happens, no one can reasonably deny that here in Gainesville we are living through interesting times.

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