

Young, Shaneka

From: Darin <Darin@INFINITEENERGY.com>
Sent: Thursday, March 08, 2018 6:28 PM
To: Poe, Lauren B
Subject: Resignation
Attachments: UAB Resignation.docx

Dear Mayor Poe,

As a courtesy I have attached my resignation script that I read at the UAB meeting tonight. I know we haven't seen eye to eye on many issues regarding GRU, but I also know that we are in alignment on many issues on a national level. If there is anything you need, please call upon me, especially in those areas where we are in alignment.

Sincerely,

Darin

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The Utility Advisory Board was created to facilitate better decision making on matters regarding GRU. At the time, there was a bill in the works for an Independent Advisory Board that would take over decisions from the Gainesville City Commission for issues regarding GRU.

This bill had some measure of support because of the almost catastrophic decision to enter into a purchase power agreement with GREC. It cost GRU's ratepayers more than \$70 million dollars per year with very little return to offset the cost. Creating the UAB provided an alternative to the bill. It kept decision making with the city commission but empowered a board to dig deeply on issues specific to GRU and give well thought out and reasoned recommendations. I must say we've done exactly that!

It would then be up to the discretion of the GCC to take or disregard the recommendations, but the additional work by the UAB could increase the odds of good decision making, and more importantly, decrease the odds of another harmful decision like the biomass plant from being made again. Leaving that process solely in the hands of the GCC hadn't worked out for us with that issue, and the UAB was an attempt to change that process to ensure the best possible results.

I now have two years of experience as a member of the UAB. Time after time, for the big issues facing GRU, the GCC has rarely taken the UAB recommendation.

So the question I ask myself is, if the UAB had been around in 2008 and 2009, would we have in fact made a difference with that decision-making process for the purchase power agreement with GREC? Based on my experience, I would say an emphatic no.

I've written and spoken ad nauseum about the commission not taking our recommendations regarding the biomass plant purchase price so I won't go into that further.

However, it's worth noting that the UAB recommended against raising electric rates by 2% for fiscal year 2017-18. This was before the biomass plant was purchased, and at that time our rates were near the highest in Florida for residential rates and the highest by far for commercial rates. The GCC did not take this recommendation.

Over the past several months, there have been other instances of fundamental disagreements between the GCC and the UAB that have greatly disturbed me. The first was that three commissioners wanted to fire Ed Bielarski, GRU's General Manager, with no notice. This was despite his flawless execution on purchasing the biomass plant and saving around \$30 million dollars per year over the next 30 years. Instead they should have patted him on the back and said thank you. The UAB had already indicated we were pleased with Mr. Bielarski's performance, and we unanimously recommended that the GCC not entertain this notion. Mr. Bielarski is happily still with us in this role, but the distance between our perspective and three commissioners on the GCC perspective is concerning to me.

The second thing that flummoxed me was that in early 2018, the commission did not vote to give back all savings derived from the purchase of the biomass plant as they had promised early last year in a formal commission vote. This was a \$1.6 million dollar tax boon the UAB had recommended to give back. GRU ratepayers had been promised savings of 8-10%. As it stands, ratepayers only save 5% in the County and 7% in the City, falling way short of what was promised. If it had been given back, ratepayers would have gained 7-9% respectively, with the average being around 8%, which falls within what was promised. This issue will be up for discussion again in budget talks for next year, but despite the UAB recommendation to give the tax boon back, I have little hope this will happen.

Another instance directly concerned the UAB itself. Three new members of the UAB needed to be appointed because two member's terms were expiring and one member no longer qualified to be on the board. The UAB carefully discussed and analyzed each application for becoming a member of the UAB. Having worked well together over the past two years, we understand what qualities are needed for this board, and we wanted to be able to continue as seamlessly as possible with the new members. Our number one recommendation, renewing Annie Orlando's term, was a unanimous vote. Our second, third and alternate choice had only one vote against and that was due to the fact that member Alford wanted anyone with a vote to be listed as additional alternates. Our reasons for each pick were detailed and thorough and given to the GCC.

Four of the City Commissioners all but ignored our recommendations. In their discussions, three of the four never even mentioned the UAB recommendations, and one of those four only mentioned the UAB in passing because one of her recommendations matched a UAB recommendation. In the end, only one of our four choices was named to a position on the UAB. Annie Orlando, who has already been doing a great job on the UAB, was not selected.

One of the commissioners explicitly stated there were six qualified candidates which included Ms. Orlando and Mr. Gonos, our number one and number three recommendation. This commissioner did choose the UAB number two pick, Wes Wheeler, but never mentioned the UAB as a reason for his pick. He indicated that it wasn't a slight against Ms. Orlando or Mr. Gonos, despite their being qualified. He just preferred other people. It is debatable whether it was a slight to Ms. Orlando and Mr. Gonos, but what is indisputable was that this reasoning completely flew in the face of the UAB's recommendations with no justification, given that there were no issues with the UAB picks.

For the commission to not honor UAB recommendations on an issue primarily affecting the UAB is nothing short of an affront provided they felt those picks were qualified, which they did.

On another occasion, the UAB and the GCC formed a joint committee to determine if an ordinance could be written to give the UAB some decision making authority. Instead, this committee came back with the UAB being responsible for developing a cohesive utility policy, which was not the charge of the committee. This item is on tonight's agenda.

The GCC has not honored the UAB's recommendations on significant issues, but it's important to remember that they picked us. I thought we were poised to make a difference because they did the work to choose members who were diligent and thoughtful and had the advantage of many different perspectives and skills. But despite having picked us, they have not seen fit to use the work we produce. This is not because the UAB has not kept its end of the bargain. Each UAB member spends many hours every week to deeply understand the major issues facing GRU now and into the future.

In the beginning of my tenure on the UAB, I thought the UAB could make a difference. I no longer feel this way. The idea of the UAB was great, but in practice, it is a failed experiment. I do not think the UAB's presence has significantly affected any of the GCC's decision making process. Therefore, I must resign. I do not want to participate in something that only gives the illusion of a better process.

However, I still believe that oversight is needed for decisions concerning GRU, outside of the Gainesville City Commission. That is why I will be helping in any way I can to support an Independent Utility Board that has actual power to effect decisions. This was always intended to be about the ratepayers and a fair

rate of return for the city of Gainesville, and I believe an independent board can be much more effective in that mission.

I must thank the three commissioners who acknowledged our recommendations for choices on the UAB. Those would be Commissioner Harvey Budd, Commissioner Charles Goston and Commissioner David Arrieola.

Finally, I must thank those that I served with over the past two years. Dr. David Denslow, Ms. Mary Alford, Mr. Michael Selvester, Ms Sandy Campbell, Mr. Robert Warpole, and the indefatigable Ms Annie Orlando, for all your work on behalf of GRU ratepayers. It has been honor to serve with such dedicated and intelligent people.

And to all the new members, Mr. Wes Wheeler, Mr. Wendell Porter, and Mr. Barry Jacobson, welcome. I apologize for any tumult in your first session, and please know it is not my intent to deflate these proceedings for you. On the contrary, I wish you much luck and hope your work can be of impact.

Because I do not wish to further influence any decisions going forward including tonight's agenda as a member and because the GCC has stated that at least three other candidates in the pool of applicants qualify for this board, I make my resignation effective immediately after this agenda item is completed. Thank you.