

Response to CM Beckmans questions relate to Roles and Responsibilities of the Council

I would like to understand the relationship of the City to the city owned utility, Clearwater Gas.

What is my role? **The Council serves two roles. Board of Directors and Regulatory body**

What are my responsibilities? **As a member of the Board of Directors, your responsibility is to ensure the city's investment in the system is one that provides an appropriate amount of return to the City. From an accountability perspective it is no different than other city business. You set policy and strategic direction and the City Manager is responsible for implementation.**

As a regulatory body you are responsible for ensuring that the rate system is appropriate and the rules such as those that allow us to change rates outside of a rate study or identifying any restrictions on the use of the dollars is appropriate.

If I'm acting in a capacity similar to a board member of a utility what are my responsibilities? **Your responsibility is to your investors and your sole investor is the City. As a representative of the City you are responsible for ensuring that the return you are receiving from your investment is appropriate.**

You also have a responsibility to the system. Clearwater Gas System operates as a competitive business, and, as such, you are responsible to the ratepayers and bond holders for ensuring that the rates and the rules that govern spending are appropriate.

Am I responsible to the City? **Yes see above** To residents? **Indirectly. You are responsible for making appropriate decisions for the institution that is the City, which includes ensuring appropriate use of City funds. You are certainly judged on the decisions you make by residents and that may impact future candidacy, but responsibility is to carry out what is best for the City as a whole.**

Is it not wise to fully understand the trends and forecasts for the gas industry as we move forward and make decisions that have long-lasting impacts and financial obligations? **Yes**

How does Clearwater Gas compare to other Florida municipal owned utilities - like Orlando Utilities Commission? **There are 31 publicly-owned gas systems in Florida. Three (3) of these are gas districts formed by State action (Lake Apopka, Okaloosa & Reedy Creek), 2 are Authorities of their cities with a city council appointed Board (Ft. Pierce & Palatka), and 27 are City Council governed like Clearwater. Nationally there are about 1,000 publicly-owned gas systems.**

Like CGS, the Orlando Utilities Commission both follow under the city council governed category, however their charter calls for a governance structure that has the Orlando Mayor on the commission as an ex-officio, but the other members are not on the City Council. The Orlando Utilities Commission also governs other utilities such as water and wastewater, in addition to natural gas, while in Clearwater the CGS only runs the gas system, but the City Council as a body oversees natural gas, water, and wastewater.

How do Clearwater City Council responsibilities compare to the board of directors of OUC, for example? **They appear similar, but staff has not done an in-depth review of their roles and responsibilities.**

What are the objectives of Clearwater Gas?

To serve the natural and LP gas needs of the customers in the Clearwater and surrounding Florida SunCoast area in the most safe, reliable and economical manner possible while maximizing:

- load growth,
- customer satisfaction,
- financial return to the City of Clearwater and the
- equity value of the Clearwater Gas System.