



February 27, 2015

STATEMENT FROM

INDIAN RIVER SHORES MAYOR BRIAN BAREFOOT

REGARDING MEDIATION & LAWSUIT

INDIAN RIVER SHORES, FLA. – As you may know, an interim mediation agreement between the Town of Indian River Shores and City of Vero Beach was reached in December as part of the state-mandated conflict resolution process. Under that agreement, the City promised to move forward with a series of initiatives designed to reduce its electric rates, and to work with FPL, OUC, the Florida Municipal Power Agency (FMPPA), bond trustees and others to attempt to effectuate the sale of the electric system. The City provided a report on its rate reduction initiatives on February 18, 2015.

Our Council discussed the City's report at our meeting yesterday. While it appears that the City's initiatives are underway, they will not be completed during the term of the Interim Mediation Agreement, which is scheduled to expire next week. Unfortunately, the report provides us with no real projections as to the level of rate reductions the City believes it will accomplish through its initiatives. The City's Mayor, however, believes that through ongoing discussions with OUC and the upcoming completion of a rate study, a clearer picture for City rate reductions should emerge in the next 60-75 days.

While we remain skeptical that the City can achieve rate reductions that will bring their rates close to rate parity with FPL, **the Town Council yesterday voted to accept an offer from the City to continue mediation and conduct another mediation session.** In so doing **we agreed to postpone the deadline of our lawsuit abatement -- but only through May 15th, and to conduct a mediation session on or around May 1st.** At that mediation session, our Town Council made it clear that it expects the City to provide details on the amount, timing, and permanence of the rate reductions the City plans to achieve through its initiatives.

I also want to make it clear that we did not suggest indefinitely postponing our lawsuit. The Council advised our lawyers to be prepared to take whatever action is necessary to immediately reactivate our suit if there is no resolution by May 15th. Our lawyers assure us that they are ready to go.

Thank you for your continued interest in this matter.