

IN THE CIRCUIT COURT OF THE
EIGHTH JUDICIAL CIRCUIT, IN
AND FOR ALACHUA COUNTY, FLORIDA

CASE NO. 01-2012-CA-001346
DIVISION: J

GAINESVILLE CITIZENS CARE, INC.,

Plaintiff,

vs.

CITY OF GAINESVILLE d/b/a
GAINESVILLE REGIONAL UTILITIES,

Defendant,

and

GAINESVILLE RENEWABLE ENERGY
CENTER, LLC,

Intervenor.

_____ /

DEPOSITION OF:	ROBERT HUNZINGER
DATE:	November 30, 2012
TIME:	1:46 p.m. - 5:00 p.m.
PLACE:	408 W. University Avenue Suite 505 Gainesville, Florida 32601
REPORTED BY:	Shawn E. Fleck, RPR, Court Reporter, Notary Public

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25

ALSO PRESENT:

JO BEATTY

1 I-N-D-E-X

2 Witness Direct Cross Redirect Recross

3 ROBERT HUNZINGER

4 BY MS. LAHART: 4

5 BY MS. WARATUKE: 94

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(NONE MARKED)

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25 THEREUPON:

1 ROBERT HUNZINGER

2 was called as a witness and, having been first duly sworn,
3 was examined and testified as follows:

4 MS. LAHART: Good afternoon, Mr. Hunzinger. I have
5 a small preliminary matter to take care of before we
6 start your deposition.

7 THE WITNESS: Please do.

8 MS. LAHART: Ms. Beatty, would you explain why it
9 is that you need to use a recording device?

10 MS. BEATTY: Well, "A," I have trouble writing, but
11 I also have some learning disability kinds of things,
12 and taking notes is difficult for me.

13 MS. WARATUKE: Well, she needs our consent in order
14 to do it, but I'm not agreeing to it, and quite frankly,
15 we have the court reporter taking it down and making a
16 tape anyway. So I don't want the recorder used.

17 MS. BEATTY: Okay.

18 MS. WARATUKE: Thanks.

19 DIRECT EXAMINATION

20 BY MS. LAHART:

21 Q. Mr. Hunzinger, would you tell me about your
22 educational background?

23 A. College.

24 Q. Uh-huh.

25 A. I graduated in 1982 from the University of Illinois

1 with a Bachelor of Science in electrical engineering.

2 Q. Did you go to graduate school?

3 A. No.

4 Q. What was your first job out of college?

5 A. I worked for a company called Illinois Power
6 Company, and the job was in Champaign, Illinois. It was an
7 assistant area engineer, as I recall.

8 Q. Approximately how long did you work there?

9 A. I was in that job for about two-and-a-half years.

10 Q. What was the job that you held prior to coming to
11 work for GRU?

12 A. Most recently?

13 Q. Uh-huh.

14 A. Would you like me to go through the whole --

15 Q. No, just --

16 A. -- sequence of jobs?

17 Q. -- just the job you had right before you came to
18 work for GRU.

19 A. Okay. I was working most recently, or most
20 recently prior to coming to GRU, for Prairie State Energy.

21 Q. Where is that?

22 A. They -- that is a power plant that was being built
23 southeast of St. Louis, and I was actually working in
24 downtown St. Louis, and then, at a certain point, they
25 changed their offices to Fairview Heights, Illinois, as I

1 recall.

2 Q. Did you move to Fairview Heights, Illinois?

3 A. No.

4 Q. When did you apply for the position at GRU?

5 A. Best of my recollection, I applied for the position
6 I currently hold at GRU in the fall of 2007.

7 Q. Is the position that you applied for the position
8 that you currently hold?

9 A. Yes.

10 Q. And what is that position?

11 A. My current title is general manager of Gainesville
12 Regional Utilities.

13 Q. Did you interview for the position?

14 A. Yes.

15 Q. Do you recall when the interviews were?

16 A. The interviews were in December of 2007.

17 Q. When were you offered a job?

18 A. I believe the City Commission decided at some point
19 in December of 2007 that I was the successful candidate, and
20 so it would have been shortly after that.

21 Q. Do you recall when your first day of work was?

22 A. My first day here I think was early March of 2008.
23 Perhaps the 3rd.

24 Q. At the time that you came to work for GRU, had an
25 RFP already been made for the biomass plant?

1 A. Yes.

2 Q. Were you asked about the biomass project during
3 your interviews?

4 A. I don't recall specifically.

5 Q. What were your first activities when you became the
6 general manager?

7 A. Well, I spent a lot of time trying to get to know
8 the people that I would be working with, becoming familiar
9 with the city and personnel relative to the city that I would
10 interact with, going around meeting with employees, employee
11 groups. Things like that.

12 Q. Between December of 2007 and when you started the
13 job in 2008, did you have any contact with anyone from
14 Nacogdoches?

15 A. Between December of 2007 and March of 2008?

16 Q. When you started the job at GRU.

17 A. No.

18 Q. When were you first introduced to Jim Gordon?

19 A. I believe I first met Mr. Gordon in June of 2008,
20 personally.

21 Q. Would the answer be the same for Len Fagan?

22 A. Yes. I believe the first time I met Mr. Fagan
23 in-person would have also been in June of 2008.

24 Q. Same for Al Morales?

25 A. I'm not sure that Mr. Morales was at the meeting in

1 June of 2008 where I met Mr. Fagan and Mr. Gordon, but if
2 not, I would have met Mr. Morales sometime after that.

3 Q. And what about Josh Levine? Did you also meet him
4 first at that June 2008 meeting?

5 A. No. As I recall, Mr. Levine was not involved in
6 the project until approximately September of 2008.

7 Q. Who was involved in ranking the binding proposals
8 for the award of the contract?

9 A. I think based on your question earlier relative to
10 this, the proposals or the request for proposals had already
11 been reviewed or received by GRU prior to when I came to work
12 here.

13 Q. Uh-huh.

14 A. And I believe that primarily Mr. Bachmeier and Mr.
15 Regan would have been the individuals that were reviewing the
16 various proposals they had received.

17 Q. Who assigned the ranking? Who was it that decided
18 that Nacogdoches was Number 1, and Covanta was Number 2, and
19 whatever was Number 3?

20 A. Uh-huh. I believe, ultimately, the City Commission
21 approved the methodology that resulted in the rankings that
22 you mentioned.

23 Q. But who made the recommendation to the City?

24 A. I was just arriving at that time, and some of the
25 first commission meetings that I attended, I believe I would

1 have ultimately sponsored, perhaps, those recommendations.

2 Q. So it's your testimony that you're the one who
3 decided that Nacogdoches was the top ranked bidder?

4 A. I believe that one of the first meetings I came to
5 at the City Commission, one of the topics considered by the
6 City Commission was the information that would go into the
7 rankings. I believe the City Commission approved the various
8 portions that would feed into the ultimate ranking to
9 determine the qualifications, whatever.

10 As I recall, after that at a subsequent meeting,
11 once those had been established, the information was then --
12 and this may have been before I actually arrived too. I
13 can't quite remember if that was just before or just after I
14 had gotten there.

15 But certainly the Commission approved the
16 determinants, and then GRU staff would have matched the
17 various proposals with those determinants, and then what fell
18 out, I think, was the rankings that you suggested with
19 Nacogdoches coming out on top.

20 Q. When you came aboard, was Nacogdoches already --
21 had they already been selected as the top bidder?

22 A. They may have. I don't recall for sure.

23 Q. After the City Commission ratified the selection of
24 Nacogdoches, and authorized you to negotiate, was there a
25 formal bid award?

1 A. Could you repeat that, please?

2 Q. After the City Council voted to accept the
3 Nacogdoches RFP, was there a formal bid award?

4 A. I don't think the City Commission formally accepted
5 a particular bid proposal. I think my recollection is that
6 based on the determinants, and that Nacogdoches came out as
7 the top ranked project, my recollection is that the City
8 Commission then authorized the general manager, which would
9 be me, to negotiate and execute a contract with the top
10 ranked bidder.

11 Q. So was there a bid award?

12 A. I think it's likely that in a public meeting, the
13 City Commission approved that Nacogdoches would have been the
14 top ranked entity. I don't think the language of a bid award
15 would be proper.

16 Q. Okay. So is there anything in writing that
17 notified Nacogdoches that they had been selected?

18 A. Well --

19 Q. That you're aware of?

20 A. There certainly would have been written notes from
21 the City Commission meetings, which are public record.

22 Q. Right. My question is, was there any letter from
23 either the Chair of the City Commission or from yourself that
24 said -- notified Nacogdoches that they had been selected as
25 the top ranked bidder? I'm sure they knew already, but I'm

1 just wondering if there's any paper documentation.

2 A. Well, they certainly would have been more than
3 likely watching the commission meeting.

4 As far as paper documentation, I don't recall
5 specifically if there was or not.

6 Q. Mr. Hunzinger, after the City selected Nacogdoches,
7 and directed you to negotiate a contract, did you ever seek
8 legal advice regarding whether the team that you selected,
9 whether their negotiations would be subject to the Sunshine
10 Law?

11 A. Not that I recall.

12 Q. Were there any draft versions of the Power Purchase
13 Agreement submitted to the commissioners for their review?

14 A. I believe the commissioners were all made available
15 of the final version of the contract. I don't recall if
16 there were intermediary versions made available to them.

17 Q. So as far as you recall, the only version of the
18 Power Purchase Agreement that the city commissioners were
19 given was the final agreement?

20 A. The city commissioners all had access to the final
21 Power Purchase Agreement.

22 Q. Was that before or after you had signed it?

23 A. The Power Purchase Agreement was signed contingent
24 upon approval by the City Commission. So I believe our last
25 negotiating meeting with American Renewables would have been

1 approximately April 17th --

2 Q. Uh-huh.

3 A. -- of 2009. As I recall, the City Commission
4 meeting was May 7th, 2009. I would have met with individual
5 commissioners in between those dates. I believe the contract
6 was signed April 29th, 2009. So it's possible that some
7 commissioners may have seen a version dated prior to 2009,
8 but I believe they all certainly had access to the 2009
9 version for sure.

10 Q. How were the risks associated with the draft
11 GRU-Nacogdoches Power Purchase Agreement identified?

12 A. I don't quite understand your question there. You
13 had a question about a draft Power Purchase Agreement. We
14 actually do have a signed Power Purchase Agreement.

15 Q. Prior to being -- it being signed, was there any
16 analysis of risks to GRU based on entering that contract?

17 A. Throughout the negotiations, I would have reviewed
18 a number of various risks associated with the contract.

19 Q. You reviewed them by yourself?

20 A. I had a lot of assistance from individuals or other
21 groups of individuals that provided information and analysis,
22 perhaps research, perhaps some financial analysis or
23 technical information based on their particular subject
24 matter of expertise. I would have taken all that input
25 received in formulating a decision that may have been based

1 on risk, may have been based on some other parameter. But at
2 no time during that would I have delegated any responsibility
3 for decision-making.

4 Q. Of course not.

5 Did you receive recommendations from those people
6 on your staff regarding risk?

7 A. At various times, I would have received
8 information. In some cases, it may have been in the form of
9 a recommendation. It may have been in the form of just
10 information.

11 Q. What outside sources were consulted regarding the
12 financial impacts of this contract on the community?

13 A. Could I ask you what you mean by outside sources?

14 Q. It means sources outside of GRU.

15 A. Excuse me. There were a few instances where
16 certain consulting firms would have provided input.

17 Q. Do you recall those -- the names of those firms?

18 A. The consulting firms could have included Black &
19 Veatch, Haddad Consulting. It may have included R.W. Beck.
20 It possibly included Burns & McDonnell. Those are ones that
21 come to mind right now.

22 Q. How about Goldman Sachs? Were they ever consulted?

23 A. Consulted in what way?

24 Q. Regarding anything to do with the biomass project.

25 A. Goldman Sachs was not involved, as I recall,

1 relative to the Power Purchase Agreement.

2 Q. My question was a little broader than that. Were
3 they consulted regarding anything related to the biomass
4 project?

5 A. I don't know. We had various bond resolutions and
6 bond issues in process at various times since I've been here.

7 I don't recall if Goldman Sachs would have been an
8 underwriter on a bond deal that may have been in parallel or
9 coincident with the negotiations relative to the Power
10 Purchase Agreement.

11 As far as I recall, they were not involved in
12 anything relative to the Power Purchase Agreement.

13 Q. My question that I asked you earlier about outside
14 sources, specifically related --

15 A. Oh, sorry.

16 Q. -- specifically related to financial impacts, of
17 the four firms that you listed --

18 A. Uh-huh.

19 Q. -- which were consulted regarding the financial
20 impacts of the Power Purchase Agreement?

21 A. It's possible that all of them might have been.

22 Q. Who was responsible for hiring these consultants
23 and negotiating their scopes of work?

24 A. At GRU, our purchasing policies are such that
25 individuals have certain authority --

1 Q. Uh-huh.

2 A. -- up to a monetary value, and depending on what
3 the purpose of the consultant might be, some individuals have
4 authority to retain those within those limits.

5 Q. Okay. Well, let me ask the question again. Among
6 these four consultants, who at GRU was contracted with any of
7 them or decided to contract with any of them?

8 A. As I said, individuals have certain spending limits
9 and authority limits. Relative to those four, I can give,
10 perhaps, one example. Mr. Haddad or Haddad Consulting -- I'm
11 not sure what the firm name is --

12 Q. Uh-huh.

13 A. -- would have fallen within the monetary limits of
14 Mr. Regan, for example. So that would have been well within
15 the normal purview of Mr. Regan's job.

16 Q. So Mr. Regan is the one who authorized a contract
17 with Mr. Haddad?

18 A. Relative to a certain aspect of information that
19 Mr. Haddad might have provided, Mr. Regan would have been
20 able to, if the contract fell within certain spending limits,
21 to do that.

22 Q. What about Black & Veatch? Did Mr. Regan also
23 oversee their involvement in the project?

24 A. Black & Veatch, as I recall, was involved in
25 assisting in the needs determination for the project, and a

1 lot of that work was before the Public Service Commission.
2 Depending on the amount of dollars relative to that
3 engagement, some of that may have fallen under Mr. Regan's
4 purview as per the purchasing policies. Some of it I may
5 have had to sign off on. I don't recall specifically.

6 Q. What role, if any, did R.W. Beck have?

7 A. R.W. Beck, as I recall, had a relatively limited or
8 minor role. Their role probably related to information
9 perhaps related to market indexes. I don't recall exactly
10 for sure.

11 Q. And again, would a contract with R.W. Beck have
12 been something that Mr. Regan signed off on?

13 A. Again, if the contractual value was within a
14 certain spending authority limit, Mr. Regan would have or
15 could have been able to sign off on that.

16 Q. So that's yes?

17 A. As I said, within a certain spending limit.

18 Q. Do you recall having signed off on any consulting
19 agreement with R.W. Beck that related to the Power Purchase
20 Agreement?

21 A. I don't recall.

22 Q. Do you know what role Burns & McDonnell had, if
23 any, in consulting on the Power Purchase Agreement?

24 A. I don't recall specifically they had a particular
25 role.

1 Q. So it would be your testimony that you don't know
2 whether they had a consultant contract that related to the
3 power purchasing agreement, or not?

4 A. I believe that's correct. I don't recall
5 specifically if Burns & McDonnell provided consulting
6 information relative to the Power Purchase Agreement.

7 Q. Who was the principal spokesperson for the -- on
8 the team for GRU during the Power Purchase Agreement's
9 negotiations?

10 A. During the negotiations, Mr. Regan was primarily
11 our contact, or the GRU contact. However, Mr. Cole from
12 Orrick also was kind of the keeper of the documents.

13 Q. Who was the principal spokesperson on the team for
14 Nacogdoches?

15 A. Well, my recollection is that it changed initially.
16 I think it was a gentleman named Ari Mervis, and then
17 approximately September, I think Josh Levine was the primary
18 contact.

19 Q. Was Josh Levine also the primary contact for GREC?

20 A. I don't recall when a change from Nacogdoches to
21 GREC might have taken place, but in general, we were dealing
22 with the same people throughout the negotiation of the Power
23 Purchase Agreement.

24 Q. Who authorized and commissioned the team for GRU to
25 hold Power Purchase Agreement contract discussions with

1 Nacogdoches?

2 A. Well, ultimately I was responsible for any
3 decisions that came out of any individual or any team -- if
4 you want to call that -- discussions that we had with
5 Nacogdoches.

6 Q. Who authorized the team?

7 A. If you want to say who authorized the team, I would
8 say me.

9 Q. Were there ever internal meetings of just GRU team
10 members?

11 A. Yes.

12 Q. Did Mr. Cole have conference calls that involved
13 just the GRU team members?

14 A. I think it was -- I would say that Mr. Cole was a
15 member of the team, if you want to call it that, that would
16 have assisted me in decision-making, and it's very likely
17 that when we had internal meetings, whether that be in-person
18 or on the phone, that Mr. Cole participated with us.

19 Q. Was Mr. Cole the only member of the team that
20 wasn't an actual employee of GRU?

21 A. I believe that would be correct.

22 Q. Were agreed-upon draft documents initialed by
23 either of both parties to track the agreement of the
24 provisions under discussion?

25 A. As I recall, initially both parties, and both

1 parties being either Nacogdoches and/or GREC and GRU,
2 initially may have been keeping their own individual versions
3 of an agreement or parts of individual versions, and so it
4 became fairly clear fairly quickly that that should be
5 centralized.

6 So at some point, at least from our standpoint, I
7 believe Mr. Cole and Orrick would have filled that role.

8 Q. When Nacogdoches submitted a draft document, would
9 it have gone directly to Mr. Cole?

10 A. In general, the way the process worked with the
11 Power Purchase Agreement, we had a number of discussions
12 in-person, and that's where a majority of the discussions
13 relative to terms and conditions of the Power Purchase
14 Agreement would take place, where GREC or Nacogdoches would
15 be involved, and of course, we would. So a lot of the
16 information would have come out of meetings like that that
17 were jointly discussed at those particular meetings.

18 There may have been times where suggested language
19 from either Nacogdoches or GREC would have been sent to Mr.
20 Cole, and if that happened, then whatever version of that
21 draft we were up to at that time, Mr. Cole would have
22 distributed that to myself and other individuals such as Mr.
23 Regan, Mr. Stanton, Mr. Bachmeier, Mr. Manasco, and so we
24 would all review that, of course, and if there was any
25 particular changes that would be discussed, and ultimately I

1 would determine whether the suggested changes -- if we hadn't
2 discussed those prior with Nacogdoches -- should stay in, or
3 should be modified, or changed, or removed, or whatever.

4 Q. You said you would decide that. How was it
5 communicated to Mr. Cole that you were approving or
6 disapproving any particular change?

7 A. Well, as I said, Mr. Cole would distribute the
8 whatever draft version there was. And that would be
9 discussed. I would get input from the individuals I
10 mentioned. We may have a discussion about it.

11 But ultimately, you know, the final draft language
12 that went in there, everybody would have reviewed it, given
13 input, suggestions, and then ultimately I would have had to
14 say agree with that, don't agree with it, or whatever.

15 Q. When you would say I agree with that, I don't agree
16 with that, how did you say that? Was that over the phone?
17 Was that in an e-mail?

18 A. Well, internal to our team, it could have been as
19 simple as saying to Mr. Regan or Mr. Manasco or Mr. Stanton,
20 or whoever that I agree with that language. They may have
21 mentioned or got back with Mr. Cole relative to that. It
22 could have been in a conference call where all of us were on
23 the same discussion. It could have been in a personal
24 meeting where we were all under the same discussion looking
25 at the language.

1 Q. Did you ever have any individual conversations with
2 Mr. Cole?

3 A. More than likely I did.

4 Q. Do you recall any?

5 A. I don't recall any specifically. This -- these
6 discussions would have taken place over the course of a year,
7 roughly --

8 Q. Do you ever recall having a --

9 A. Could you -- mind if I finished?

10 Q. Of course not.

11 A. In various forms, such as phone or in-person. So I
12 had a number of conversations with Mr. Cole.

13 Q. Individual conversations?

14 A. They may have been individual. They may have been
15 in the context of a team discussion.

16 Q. Do you recall any individual conversations?

17 A. I believe there were some individual conversations
18 that took place relative to meetings we had.

19 Q. Were they in-person or on the phone?

20 A. Could have been both.

21 Q. You don't recall?

22 A. If you're asking me to point out a specific date,
23 it is hard to do that. It's very likely that I had
24 discussions with Mr. Cole. Many times, if Jonathan came to
25 Gainesville for meetings, internal meetings with us, we'd go

1 out for supper or dinner. Certainly would have had
2 individual discussions with Mr. Cole during that time.

3 Q. Do you recall the substance of any of those
4 conversations?

5 A. Well, more than likely, most of the substance of
6 the conversations would have dealt with -- well, first of
7 all, could have been personal-type things.

8 Q. Mr. Hunzinger, I really don't want you to tell me
9 what it could have been about. If you don't remember, please
10 just tell me I don't remember.

11 A. More than likely, those discussions --

12 Q. Mr. Hunzinger, I don't want --

13 A. -- would have pertained to terms and conditions of
14 the Power Purchase Agreement.

15 Q. Do you remember any specific conversation with Mr.
16 Cole individually about any term of the Power Purchase
17 Agreement?

18 A. Mr. Cole provided information relative to renewable
19 energy sources, renewable contracts, the value of renewable
20 energy credits.

21 Q. Do you --

22 A. I can recall some discussions with him relative to
23 those topics.

24 Q. What discussions do you recall?

25 A. Discussions such as the value of renewable energy

1 credits.

2 Q. When you discussed the value of renewable energy
3 credits with Mr. Cole, where were you?

4 A. I can't say specifically where I may have been when
5 I talked to Mr. Cole about that topic.

6 Q. Do you recall if it was a face-to-face conversation
7 or over the phone?

8 A. More than likely it was a face-to-face
9 conversation, but it could have also been by phone.

10 Q. Mr. Hunzinger, in Mr. Regan's deposition, he used a
11 term that I had not heard before. It was interspace
12 bargaining. Did you participate in interspace bargaining?

13 A. Could I ask you to be more specific? I didn't
14 quite understand what you said.

15 Q. What I said was that when I deposed Mr. Regan, and
16 you were here, I asked Mr. Regan about the negotiation team
17 meetings, and he told me, "We did something called interspace
18 bargaining." Do you know what interspace bargaining is?

19 A. You said interest-based bargaining?

20 Q. Interspace bargaining, at least that's what the
21 deposition transcript is -- says.

22 MR. DEE: Counsel?

23 MS. LAHART: Yes.

24 MR. DEE: I thought it was interest-based, as in my
25 interest and your interest, as opposed to interspace. I

1 saw the transcript, and I scratched my head trying to
2 figure out where that came from, but I think it was a
3 typographical error.

4 MS. LAHART: Interest-based bargaining. Thank you,
5 Mr. Dee. That might help speed things along here.

6 BY MS. LAHART:

7 Q. Do you know what interest-based bargaining is?

8 A. I do know what interest-based bargaining is as
9 opposed to interspace bargaining.

10 Q. Could you explain it?

11 A. And I thought that's what he said, so.

12 Q. Could you explain it to me?

13 A. Well, at least at GRU in negotiations with our
14 union -- which is the CWA, or the Communications Workers of
15 America -- some years ago, both sides entered into what they
16 call interest-based bargaining. So mutual interest
17 bargaining, if you want to say that. But as opposed to being
18 more confrontational, this is more interest-based to try to
19 reach a settlement, for example, with the union negotiations.

20 Q. How did interest-based bargaining play out in terms
21 of negotiating the Power Purchase Agreement?

22 A. Well, I don't exactly know what Mr. Reagan meant
23 when he mentioned that term relative to the discussions. I
24 could only talk about my role in the discussions.

25 Q. You can only talk about your role in the

1 discussions, so you wouldn't be able to tell me about what
2 other people did that were participating in the discussions?

3 A. I can't tell you what Mr. Regan may have meant by
4 the term interest-based bargaining as he viewed the
5 discussions.

6 Q. Well, in your opinion, were -- the negotiations
7 that took place, was a mutual interest-based negotiating
8 technique used?

9 A. I can tell you what my goal for the negotiations
10 were relative to the Power Purchase Agreement. The
11 Commission, in their action, authorized me to negotiate and
12 execute a Power Purchase Agreement. My goal in negotiating
13 was to try to get the best long-term deal for the customers
14 of GRU.

15 Q. Did any of the members of the GRU team meet with
16 city commissioners in your absence regarding the Power
17 Purchase Agreement?

18 A. Once that the Commission authorized me in May of
19 2008 to negotiate an executed agreement, I don't recall any
20 specific instances where staff would have discussed any
21 particular components of the Power Purchase Agreement without
22 my being present.

23 Q. During the negotiation meetings, how were
24 disagreements between the parties resolved?

25 A. Well, as you can imagine, there were a number of

1 items in areas of discussion in something that takes a year
2 to come to a conclusion. If a particular item -- well, first
3 of all, an item would be discussed, and individuals would
4 give input to that particular discussion. If a resolution
5 could be reached relative to that discussion, it would be
6 done so, and at least from our standpoint, from the GRU
7 standpoint, ultimately I would have to approve of any
8 agreement or language relative to that. If there was an
9 issue that, for whatever reason, wasn't appearing that it
10 would be settled or reach an agreement, a lot of times those
11 issues would be set aside to be discussed again at a later
12 time, perhaps after more information.

13 Q. You say individuals would give input. Did the
14 individuals on your team give input only to you, or did they
15 also provide input to the team members of the other party?

16 A. The negotiations, at least the face-to-face
17 negotiations, general format would have been discussion of a
18 particular topic or an issue around the table. So it was a
19 somewhat free-flowing discussion, at least to try to get all
20 the items or flush out the areas of interest relative to that
21 particular topic.

22 Q. So were individual subjects or individual items
23 that would be included or not included in the Power Purchase
24 Agreement deliberated in these meetings?

25 A. They were discussed, and each party would give

1 their view relative to whatever topic we were discussing. If
2 you want to call that deliberations, perhaps that might be
3 accurate. However, ultimately whatever was discussed had to
4 get put into language that made it into the version of the
5 draft PPA at that time, and then that would be distributed.
6 Everybody would look at that again, and at least I can tell
7 you from our standpoint how we looked at that. Then
8 everybody would look at the latest draft language, comment on
9 it, see if that's what was discussed at the meeting, whether
10 or not that was something that GRU and I could approve or
11 not. So there were many iterations of topics that were
12 discussed.

13 Q. Did all of the members of the GRU team participate
14 in crafting language for the agreement?

15 A. At various stages, there were probably a lot of
16 different individuals that, based on their area of technical
17 expertise or subject matter expertise, would have had input
18 to language.

19 Q. So were there GRU staff that had input that were
20 not on the team?

21 A. I would say there could have been, and I guess I
22 don't understand what you mean by team at this point. How
23 are you defining team?

24 Q. I would say Mr. Regan, Mr. Stanton, Mr. Cole,
25 Mr. Bachmeier, yourself. Am I leaving anybody out?

1 A. Okay.

2 MS. BEATTY: Hoffman.

3 MS. LAHART: Mr. Hoffman?

4 BY MS. LAHART:

5 Q. Is Mr. Hoffman on the team?

6 A. Mr. Hoffman provided some financial analysis very
7 late in the PPA discussions.

8 Q. But he didn't participate in the deliberations that
9 were had -- that had -- you had with the other party?

10 A. As I said, I think Mr. Hoffman was very late in the
11 -- in the PPA negotiations, and really provided more just, as
12 I said, analysis.

13 Q. What did he provide analysis of?

14 A. Primarily the financial value of the contract.

15 I need to go back and answer one of your prior
16 questions. I don't think you allowed me to answer it.

17 Q. Well, if I didn't allow you to answer a question, I
18 assure you it wasn't deliberate, Mr. Hunzinger. By all
19 means.

20 A. I think that you asked were -- did anybody, other
21 than the team members mentioned, that you mentioned
22 specifically -- and for clarity, I'll try to repeat those.
23 That would have been Regan, Stanton, Manasco, Bachmeier,
24 Hoffman, and myself. You mentioned if anyone --

25 Q. And Mr. Cole.

1 A. And Mr. Cole. If anyone else may have provided
2 language to the PPA, or suggested language. That certainly
3 could have been the case through either Mr. Regan,
4 Mr. Stanton, Mr. Manasco, Mr. Bachmeier, or myself.

5 Most generally, they probably would not have been
6 talking directly to Mr. Cole, but as mentioned, those
7 individuals were subject matter experts, if you want to say
8 that, to provide information, and at certain times, they may
9 have talked to other members of GRU to get specific
10 information to run a concept by them. And then ultimately,
11 that information would have been put into the PPA after
12 discussion of either within the group individually of GRU or
13 with myself got into the PPA language.

14 Again, that draft would be distributed for review,
15 and ultimately, I would have had to either approve the
16 language or concept, or not.

17 Q. What reviews were provided by GRU's legal counsel
18 or the Gainesville City Attorney's Office during the ongoing
19 discussions among the parties?

20 A. Mr. Manasco would have provided legal input
21 relative to any legal aspect of the contract.

22 Q. Does Mr. Manasco work for the City Attorney's
23 Office?

24 A. Mr. Manasco's title was utilities attorney. I
25 believe that he technically worked for the City Attorney, at

1 that time, Mr. Radson. However, on a daily basis, Mr.
2 Manasco was housed in the GRU administration building in an
3 office adjacent to mine, and effectively, all his work was
4 for utility issues.

5 Q. Was Mr. Radson aware of the legal review that was
6 conducted by Mr. Manasco?

7 A. Mr. Manasco had weekly meetings with Mr. Radson as
8 a part of his job, just to keep the City Attorney informed.
9 I believe that Mr. Manasco would have informed Mr. Radson of
10 any particular legal issues that would have risen to the
11 level of the City Attorney.

12 Q. Other than Mr. Radson, are you aware of any GRU
13 employees that were made aware of the legal reviews that were
14 conducted by Mr. Manasco?

15 A. Well, certainly I was, and any member of the GRU
16 negotiating group. If there was a legal issue that, perhaps,
17 went into a boundary of operations or some other issue
18 relative to the PPA, that would have been discussed.

19 Q. Who was it that selected Mr. Cole to provide
20 counsel to the negotiating team?

21 A. Well, Orrick, who Mr. Cole works for, based out of
22 New York, is our bond counsel, and has been for a number of
23 years, and Mr. Cole joined the group. I don't recall
24 specifically if -- if that would have been suggested by
25 Mr. Manasco or, perhaps, someone from Orrick, since we

1 interacted with Orrick quite often.

2 Q. Was Mr. Manasco considered one of the members of
3 the negotiating team?

4 A. Yes.

5 Q. Was Mr. Cole considered one of the members of the
6 negotiating team?

7 A. Yes.

8 Q. Did the GRU team or any team member use any
9 documents, either modified or in their original form, that
10 they received directly or indirectly from Austin Energy to
11 develop or produce any documents related to the Nacogdoches
12 Power Purchase Agreement?

13 A. That's a very long question.

14 Q. I know. It's not a very good question either. Let
15 me see if I can do better; if I can simplify it a little.

16 Did the GRU team or anyone on the team use any
17 documents from Austin Energy in developing the Power Purchase
18 Agreement? Is that better?

19 A. To the best of my knowledge, no.

20 Q. Okay. Did you make personal notes of the
21 discussions that were held with Nacogdoches or with American
22 Renewables?

23 A. At times, it's likely that I had taken notes.

24 Q. Did anybody read or review your personal notes of
25 those discussions?

1 A. Generally, those notes were taken for my purposes.

2 Q. Did you keep them in a notebook or were they, like,
3 on a legal pad?

4 A. Typically, they'd be on a pad, something like this
5 (indicating).

6 Q. What would you do with them after the meeting?

7 A. Well, sometimes they would be kept, perhaps, in a
8 file. Sometimes I'd look at the notes and pitch them, if
9 there wasn't anything necessarily pertinent there. I'd
10 review them, and then, perhaps, dispose of them. Sometimes
11 put them in a file.

12 Q. From what I can tell by the numerous e-mails that I
13 have had the pleasure of reading in the last few weeks, it
14 looked like Mr. Bachmeier was generally the person tasked for
15 the GRU team of keeping minutes or notes. Is that correct?

16 A. I think Mr. Bachmeier took notes at quite a few of
17 the meetings.

18 Q. Did other GRU team members make personal notes of
19 the discussions?

20 A. I believe that some of the other team members would
21 have taken down personal notes.

22 Q. Did you ever read or review their personal notes?

23 A. Generally, we would -- we, being the team -- if
24 Mr. Bachmeier, for example, took notes of a meeting, he would
25 distribute his version of the notes that we would review.

1 Q. Did you provide status reports, either written or
2 verbal, regarding the progress of the negotiating team to any
3 member of the City Commission?

4 A. I believe that during the course of the year
5 negotiation period, as I met with commissioners on an
6 individual basis, which was fairly routine, that occasionally
7 some of them would ask how the discussions were going, in a
8 general sense.

9 Q. Did you ever have any conversations with the City
10 Commission as a whole between May of 2008 and May of 2009,
11 regarding the Power Purchase Agreement?

12 A. I don't recall in a public forum discussing this
13 topic in a whole. Now there could have been instances where,
14 at some point in a meeting, a commissioner may have asked how
15 are the negotiations going, or something very general, and of
16 course the answer would have been very general too, that, you
17 know, maybe we -- we met last week, or we're going to meet in
18 the following week, or something like that. Or discussions
19 are still ongoing.

20 Q. Did you provide status updates to any other
21 Gainesville -- City of Gainesville charter officer?

22 A. If the question is status updates relative to the
23 Power Purchase --

24 Q. Yes.

25 A. -- negotiations or discussions? I don't recall

1 talking to any particular charter officer relative to those
2 discussions. Again, it may have been some general
3 conversation that just said, hey, negotiations are ongoing,
4 if they would have asked a question along those lines.

5 Q. Do you know if any other members of the team
6 provided status updates on the negotiations to the City
7 Commission?

8 A. As I said, I don't think that would have taken
9 place in a public forum, and I'm not aware of any other
10 specific particular meetings.

11 Q. If I understood your earlier testimony correctly,
12 the city commissioners only saw the final version of the
13 Power Purchase Agreement? They didn't -- they weren't
14 provided prior -- prior versions as they were under
15 negotiation? Is that correct?

16 A. I think it's correct that the commissioners had the
17 opportunity to review the final version of the Power Purchase
18 Agreement.

19 Q. So there were no changes made to the Power Purchase
20 Agreement after it was provided to the City Commission?

21 A. I think I'm going to have to ask you to clarify
22 that question.

23 Q. Okay. You said that the city commissioners had an
24 opportunity to review the contract before they voted to
25 ratify it. What do you mean that they had the opportunity?

1 A. When either I or Mr. Regan -- Mr. Regan and I, I
2 believe as a team or two people, as opposed to
3 individually -- now, I may have talked to the commissioners
4 individually, but if Mr. Regan talked to them, I believe I
5 was always with him during that time -- we would have
6 discussed the major tenets of the agreement, went through
7 that with the various commissioners on an individual basis,
8 and at that time, we, I, had a version, the signed version of
9 the contract available for them to review, or if they didn't
10 feel comfortable reviewing it then, could -- we could have
11 given them a copy at some other time that they could review.

12 Q. So when you met with the individual commissioners,
13 did you hand them a copy of the signed agreement?

14 A. I believe that we had a copy of the agreement with
15 us, typically, and --

16 Q. Well, one copy, or did you bring the commissioners
17 their own copy?

18 A. Each commissioner had the ability to receive an
19 individual copy, if they so chose.

20 Q. How did they have the ability to receive an
21 individual copy? Would that be by asking you for a copy when
22 you came to the meeting?

23 A. It would have either been by reviewing the one that
24 we brought with us, or if they wanted to review it outside of
25 the meeting, they would have requested a copy, and we would

1 have either left that copy there with them, or provided them
2 one shortly thereafter.

3 Q. Do you recall any of the commissioners asking you
4 for a copy?

5 A. I believe that some commissioners did.

6 Q. Which ones?

7 A. I don't recall specifically. Commissioner Hawkins,
8 for example.

9 Q. Do you remember providing Mr. Hawkins a hard copy
10 of the contract?

11 A. I believe I do.

12 Q. Was it a redacted copy, or was it an unredacted
13 copy?

14 A. The version that the city commissioners had access
15 to was an unredacted version of the contract.

16 Q. When you met with the commissioners individually,
17 did you show them PowerPoint presentations?

18 A. As I recall, I went ahead and I met with the
19 commissioners prior to the May 7, 2009 meeting. We discussed
20 the various major tenets of the contract, any changes that
21 may have taken place relative to the negotiations versus the
22 initial proposals received, and in that, there could have
23 been parts of a PowerPoint agreement (sic) that would have
24 been shared. Whether or not we had the whole agreement at
25 that time, I don't recall.

1 MR. DEE: Excuse me. You said had the whole
2 agreement. Did you mean the whole PowerPoint?

3 A. Oh, I'm sorry. Yes. I would have meant the --
4 relative to the question from Ms. LaHart, portions of the
5 PowerPoint presentation.

6 Q. What portions?

7 A. Well, as I just mentioned, more than likely, they
8 would have been the major tenets of the contract, any
9 changes. There's probably some risk information. We may
10 have well had the whole PowerPoint presentation. It would
11 have been in development, so that sometimes information gets
12 distributed to the Commission as backup, and it just depends
13 on when we met with any particular individual commissioner
14 versus when the backup was submitted. So my point is, that
15 the presentation may have been evolving, and that we may not
16 have had the complete presentation that ultimately ended up
17 being given to the Commission at the May 7th meeting, but it
18 certainly had the major components of that when we talked to
19 them.

20 Q. You said you discussed the tenets of the agreement
21 and major changes. What, in your mind, were the major
22 changes?

23 A. Well, the final Power Purchase Agreement, as
24 opposed to, perhaps, the request for proposal that would have
25 been received approximately a year sooner, one change would

1 have been an extension of the contract length to 30 years
2 from 20. There may have been pricing differences.

3 Q. You don't know if there were pricing differences
4 between the RFP and the final contract?

5 A. I believe that the final contract pricing structure
6 was more than the initial request for proposal.

7 Q. Okay. Those are the only major changes?

8 A. I'm not sure if there were major changes relative
9 to fuel. It was still a biomass fuel source, so that didn't
10 appear to change much.

11 Q. What about the fact that the contract is with a
12 different entity than had provided the RFP? Did you consider
13 that a major change?

14 A. I believe that change was discussed with the
15 Commission, and they were made aware that the Power Purchase
16 Agreement was with GREC, LLC.

17 Q. When did you have conversations with the Commission
18 about the change from Nacogdoches -- Nacogdoches to GREC?

19 A. To the best of my recollection, that was certainly
20 brought out in the presentation in May of 2007 -- or excuse
21 me -- May 7th, 2009, and with individual commissioners prior
22 to that.

23 Q. When you say prior to that, do you mean in the
24 month prior to that? Six months prior to that?

25 A. Well, it could have been either. Certainly, once

1 we reached an agreement with -- on the Power Purchase
2 Agreement final terms, as we discussed that information with
3 the individual commissioners, or as I discussed that
4 information with the individual commissioners, or Ed and I,
5 we would have made them aware -- they would have been made
6 aware that the Power Purchase Agreement was with GREC, LLC.
7 So certainly very close to the May meeting after the initial
8 discussions. It may have also been the case, during the year
9 prior, the year of negotiations, some individual
10 commissioners may have requested or asked about how the
11 discussions were going. I may have indicated to them that
12 the party we were discussing with changed from Nacogdoches to
13 GREC, LLC. I don't recall for sure.

14 Q. So you didn't ask the City Commission whether they
15 wanted you to continue negotiating with a different entity?

16 A. I don't recall asking the City Commission as a
17 body.

18 Q. Did you ask the individual members, or did you
19 unilaterally make the decision that it was okay to negotiate
20 with a different entity?

21 A. There may have been individual commissioners that
22 were aware of a difference in -- from Nacogdoches to,
23 ultimately, GREC, LLC. As I indicated, I don't think that
24 that information would have been discussed or talked about at
25 a public meeting relative to the entire commission. So as I

1 said before, we -- the individuals we were negotiating with
2 effectively remained the same.

3 Q. So it was your decision to continue to negotiate
4 with a different entity?

5 A. Well, it was certainly my decision to continue
6 negotiations with the individuals we had been initially
7 discussing a Power Purchase Agreement with. At some point
8 during the negotiations, I don't recall which point that
9 might have been, the structure of the LLC apparently changed.
10 So we would have continued discussing with those individuals
11 in whatever capacity they were at that time.

12 Q. So you didn't think it was important that the
13 entity that had made the proposal be the entity that you
14 signed a contract with?

15 A. I believe that, initially, Nacogdoches was made up
16 of two entities. As I recall, those entities were EMI, which
17 I believe was Mr. Gordon's company, and a company called
18 BayCorp. I believe that's one word. At some point during
19 the discussions, those two entities still were involved, and
20 that they may have informed us that there was another entity
21 involved.

22 Q. Is that American Renewables?

23 A. No. I believe the other entity would have been
24 called TYR Energy. T-Y-R Energy. So from my standpoint, we
25 were certainly negotiating with an entity that the majority

1 of the people were the same.

2 Q. So, in your opinion, it wasn't important to sign a
3 contract with the same entity that had submitted the
4 proposal?

5 MS. WARATUKE: I'm going to object to the question.
6 Asked and answered, but you can go ahead and do it
7 again.

8 A. Yeah. I really don't have an opinion on how
9 important that was or not. As I indicated, we were
10 negotiating with, effectively, the same individuals that we
11 had started discussing the Power Purchase Agreement with.

12 Q. Do you know if it was important to any of the
13 individual commissioners?

14 A. I don't recall that any of the individual
15 commissioners had any concern over that issue.

16 Q. Which commissioners do you recall discussing the
17 change in entity from Nacogdoches to GREC with? Let me try
18 and ask that without ending in a preposition.

19 With which commissioners did you discuss the change
20 from Nacogdoches to GREC?

21 A. Well, as I said, at some point, especially close to
22 the May 7th, 2009 meeting, that would have been -- more than
23 likely would have been discussed with all the commissioners.

24 And I would probably further go on to add that the
25 entire Power Purchase Agreement was -- I signed it contingent

1 on the approval of the City Commission. So when the
2 Commission voted seven to nothing, unanimously, in May of
3 2009, to approve the contract, they certainly were aware of
4 what was contained in the Power Purchase Agreement.

5 Q. Does Nacogdoches, LLC still exist? Nacogdoches
6 Power, LLC?

7 A. I don't know.

8 Q. I'd like to talk to you about the -- the so-called
9 back-out clause or termination for convenience clause. Was
10 it your decision to -- to remove that provision from the
11 draft contract? I know I saw early versions of the draft
12 contract that had a draft termination for convenience clause
13 in it, and then --

14 A. Uh-huh.

15 Q. -- there was subsequent contracts, drafts of the
16 contract that did not. Was it your decision to remove that
17 provision?

18 A. I would say that since I had ultimate approval and
19 authority over the terms and conditions of the Power Purchase
20 Agreement, that you could say that I was the one that made
21 the decision to have that clause removed from the contract or
22 to allow it to be removed from the contract. It certainly
23 was in the context of the discussions and the negotiations in
24 total for the Power Purchase Agreement. So it may not have
25 been as simple as whether this should stay in or not. It was

1 in the context of a number of different things that were
2 being negotiated at the time.

3 Q. But ultimately, it was your decision, and you take
4 responsibility for the elimination of the power -- of the
5 back-out clause?

6 A. I think, as general manager that signed the
7 agreement, I probably have that ultimate responsibility.

8 Q. Okay. Did you seek input from the City Commission
9 on that decision?

10 A. Relative to the termination for convenience clause,
11 I do not believe that that issue was discussed in general in
12 a public forum of the City Commission. I may have discussed
13 with particular individual commissioners that particular
14 topic during the course of the discussions over that year's
15 period.

16 Q. You don't recall whether you ever discussed the
17 elimination of the termination for convenience clause with
18 any of the board members individually or commission members
19 individually?

20 A. I think I just said that I possibly discussed that
21 topic with individual commissioners.

22 Q. Which individual commissioners did you possibly
23 discuss that topic with?

24 A. It's possible that it would have been discussed
25 with Mayor Hanrahan, and perhaps Commissioner Donovan, as

1 Commissioner Donovan seemed to be particularly interested in
2 that topic and Mayor Hanrahan seemed -- typically had
3 expressed the most interest throughout the discussions on how
4 they were proceeding in a general sense.

5 Q. Other than the Mayor and Commissioner Donovan, did
6 you discuss the removal of the back-out clause with any of
7 the other individual board members -- commission members?

8 A. I may have. I don't recall specifically.

9 Q. What did Mayor Hanrahan say about the removal of
10 the back-out clause?

11 A. If I could add to my prior answer just a little
12 bit?

13 Q. Of course.

14 A. And then I'll try to get back to that question.

15 The -- again, the Power Purchase Agreement was
16 approved by the City Commission, so I signed it contingent on
17 approval by the City Commission. So certainly the City
18 Commission, relative to the time the contract was signed, was
19 informed that the termination for convenience clause was not
20 in the final version of the PPA that I signed.

21 So in that respect, all of them would have been
22 informed of that prior to voting and approval to the May 2009
23 meeting.

24 Q. Okay. So are you changing your answer that it was
25 you who decided not to or decided it was okay to remove the

1 back-out clause?

2 A. I don't think I'm changing my prior answer. I'm
3 just saying that, at some point, the Commission ultimately
4 approved the contract.

5 As the discussions of the particular items relative
6 to the Power Purchase Agreement negotiations went on, I would
7 have had that responsibility to make the determination
8 whether or not that clause would have stayed in the Power
9 Purchase Agreement.

10 Q. And as you recall, the only two commissioners you
11 discussed it with were Mayor Hanrahan and Commissioner
12 Donovan?

13 A. Specifically, but I could have discussed it with
14 others. I do know that I discussed that topic with all of
15 them, as I said, when either I or Ed Regan and I met with the
16 commissioners prior to the May 7th, 2009 meeting after the
17 final contract negotiations were concluded.

18 Q. Are you certain that you discussed it with
19 Commissioner Donovan?

20 A. Pardon?

21 Q. Are you certain that you discussed it with
22 Commissioner Donovan?

23 A. I believe that that topic was discussed
24 individually with each commissioner prior to the May 2009
25 meeting.

1 Q. Didn't Mr. Donovan ask about that particular clause
2 in a subsequent meeting and say that he didn't recall having
3 discussed it with you?

4 A. What subsequent meeting would you have been
5 discussing?

6 Q. At a subsequent city commission meeting.

7 A. Do you know when that might have been?

8 Q. May of 2009?

9 MS. BEATTY: December. December of 2009.

10 BY MS. LAHART:

11 Q. December of 2009.

12 A. Do you have any specific information I could look
13 at relative to that question?

14 Q. Not with me, no.

15 A. I can't comment specifically on Mr. Donovan's
16 recollection. I can only give you my recollection.

17 Q. Okay. Was it your decision to abandon the 20-year
18 contract term in favor of a 30-year contract term?

19 A. Well, I don't know if I'd agree with your term
20 abandon. Perhaps I would use the term change from a 20-year
21 contractual agreement to a 30-year contractual agreement; and
22 yes, ultimately I would say that that decision would fall
23 upon my shoulders.

24 Q. From whom did you receive input on that decision?

25 A. That decision would have been involved in the

1 overall pricing structure of the contract. So there were
2 probably a number of other negotiating items wrapped up in
3 the extension of the contract length. Certainly, input would
4 have been provided from various team members mentioned before
5 to help me reach a decision on ultimately whether or not the
6 contract terms should go from 20 to 30 years.

7 Q. Did you get input from any of the city
8 commissioners?

9 A. I don't recall specifically getting any input from
10 the commissioners relative to that topic.

11 MR. MCDERMOTT: At a good time, you know, maybe we
12 can take a little comfort break. So your -- at a good
13 time.

14 MS. LAHART: No time like the present.

15 (Thereupon, there was a recess at 3:09 p.m., and
16 the deposition reconvened at 3:19 p.m.)

17 BY MS. LAHART:

18 Q. Mr. Hunzinger, I'd like to ask you about another
19 change from -- from when the RFP was accepted versus when the
20 contract was executed, and that is the -- the \$39 per
21 megawatt hour fixed capacity charge.

22 That \$39 per megawatt hour fixed capacity charge
23 was not included in the final contract; correct?

24 A. Can I see what you're referring to?

25 Q. No.

1 A. I'm going to need you to repeat that question. I
2 didn't follow that.

3 Q. Okay. It's my understanding that the request
4 for -- let's say, RFP, I think, request for production. The
5 proposal, the binding proposal that was accepted by the City
6 Commission contained a representation from Nacogdoches that
7 they would provide the power at \$39 per megawatt hour. Is
8 that not correct?

9 A. I'm not familiar right now with the contents of the
10 RFP.

11 Q. Was there a price increase from the RFP to the
12 final contract?

13 A. I believe I indicated before that one of the
14 changes that I recall relative to the RFP was that the price
15 did increase.

16 Q. And in fact, it increased by more than 25 percent
17 per megawatt hour; did it not?

18 A. I'm not sure about the number, 25 percent you
19 quoted. It seems to me that I recall that, depending on
20 whether or not there was either a production tax credit, or
21 an investment tax credit, or what ultimately ended up being
22 applied to the contract, which was a stimulus grant,
23 effectively, a 1603 grant, I don't think the 25 percent
24 necessarily is the correct number. I'd have to go back and
25 check. So I'm not sure.

1 Q. The proposal contemplated a fixed price rather than
2 an index that would allow for future cost increases. Is that
3 correct?

4 A. The final agreed-to PPA does have a fixed
5 component. There's a component called the non-fuel energy
6 charge that is actually fixed in time for the entire 30-year
7 length of the contract. So it will be the same. That
8 component will be the same in Year 29 as it is the first year
9 the unit goes into operation. That's one of the big
10 advantages of the contract, that GRU is not subject to
11 escalation of that particular contract cost over time, and
12 therefore, does not have the inflation risk.

13 Q. There's a provision in the contract that says that
14 fixed costs could be further increased over the life of the
15 contract in the event of changes in laws or regulations that
16 result in increased cost to run the biomass plant. Is that
17 correct?

18 A. I believe I do recall a provision in the contract
19 that may be titled something along the lines of Change of
20 Law. The intent of that section would be, for example, that
21 if there were more stringent environmental regulations that
22 might be implemented by a governmental authority, that the
23 contract allows that issue to be discussed among the parties
24 to see if any adjustments need to be made to the price, and
25 the price could go up or down depending on the regulatory

1 initiative at the time.

2 Additionally, if there are change of law provisions
3 that are beneficial to GRU, for example, we would certainly
4 be discussing with the other party to make sure that we got
5 the benefit of those.

6 Q. Did you and Pegeen Hanrahan have any conversations
7 about biomass prior to you beginning your position at GRU?

8 A. As I said before, I don't recall during the
9 interview process with the City Commission whether or not
10 biomass was a topic or a question or not. Pegeen Hanrahan
11 was the mayor at that time, and so that answer would apply to
12 her as well.

13 Q. Did you and Karen Johnson have discussions or
14 communications about the biomass project when you began
15 working for GRU?

16 A. Well, Karen Johnson was the general manager just
17 prior to when I arrived.

18 Q. Uh-huh.

19 A. Ms. Johnson would have been involved in the
20 analysis that led up to the request for proposals that we
21 talked about earlier. I'm -- it's very likely that Ms.
22 Johnson would have, when I got to work here, talked to me
23 about that process up to that point.

24 Q. Did she stay on during your transition?

25 A. As I recall, Ms. Johnson stayed employed by the

1 City or GRU -- I can't recall which one -- but she was here
2 for a short period after I arrived. I -- best I recall, it
3 was a two- to three-month-type period.

4 However, generally, Ms. Johnson wasn't involved in
5 utility work. She was doing some special projects relative
6 to the city commission, committee organization, cleaning up
7 various things relative to that. I did have the opportunity
8 to talk to her any time I wanted to, however.

9 Q. Now, you previously talked about meeting
10 individually with the commissioners prior to the May 7th,
11 2009 meeting where they voted to accept the contract. What
12 documents were the commissioners given in those individual
13 meetings?

14 A. The meetings that Mr. Regan and I or myself had
15 with the individual commissioners prior to the May 2007 --
16 excuse me -- May 7th, 2009 meeting, as discussed before,
17 would have included going through some information relative
18 to the PowerPoint presentation that would have been given at
19 that particular May 7th meeting. So whatever stage of
20 information we would have had relative to that. Highlighting
21 changes in the contract, major tenets in the contract, et
22 cetera. The commissioners also would have had -- I would
23 have had with me a copy of the unredacted contract, as
24 mentioned earlier, and they certainly would have either had
25 the ability to look at it during that meeting, or if they so

1 desired, get a copy subsequent to the meeting to review.

2 Q. Is there any memorandum summarizing the contract or
3 the changes to the contract?

4 A. I think the best summary of the contract would have
5 been in the presentation, the PowerPoint, presented at the
6 May 7th, 2009 city commission meeting.

7 Q. So I'm not trying to beat a dead horse. I just
8 want to make sure I understand. When you met with the
9 individual members, you had a copy of the contract. Some of
10 them wanted a copy of it, then some of it did not -- some of
11 them did not?

12 A. As I recall, I did have a copy of the contract with
13 me. Some commissioners may have looked at it at that time.
14 Some may have requested that I either leave that copy or
15 provide them another copy after the meeting that they could
16 review.

17 Q. Other than Mr. Hawkins, do you recall any of the
18 commissioners asking for a copy?

19 A. I don't recall specifically, but I'm pretty sure
20 that Mr. Donovan had a detailed copy or an unredacted copy,
21 and it's very possible that other commissioners also
22 requested copies. I just don't recall at this time.

23 Q. And other than the contract and the PowerPoint
24 presentation, there was no backup that was provided to the
25 commissioners?

1 A. Backup in -- as in what?

2 Q. Written. Written documentation.

3 A. To the best of my recollection, most of the
4 discussion was based on what would ultimately become the
5 PowerPoint presentation and the contract itself, the PPA.

6 Q. Why was the cost of the contract redacted?

7 A. Pardon?

8 Q. Why was the cost of the contract redacted?

9 A. As I recall, the -- GREC or Nacogdoches, at that
10 time -- I'm not sure when -- but the other party requested
11 that certain portions of the contract be redacted.

12 Q. Including what it was ultimately going to cost GRU
13 in repairs?

14 A. As I recall, pricing of the -- pricing terms in the
15 contract were initially redacted.

16 Q. Because GREC asked that they be?

17 A. My recollection is that the other party requested
18 the information to be redacted, which, as I -- from a
19 layman's standpoint, not being an attorney, is something that
20 is permissible under state statutes.

21 Q. Did you seek legal advice from Mr. Manasco or Mr.
22 Cole regarding that?

23 A. I did have discussions with Mr. Manasco about that
24 topic.

25 Q. And did he indicate to you that that was acceptable

1 under the public records law?

2 A. Mr. Manasco would have indicated to me that that is
3 something permissible under state statutes. I can't comment
4 whether that is under the particular open records law or not.
5 I would also believe that Mr. Manasco would have discussed
6 this with the City Attorney.

7 Q. At any point, did you challenge the redaction of
8 the contract?

9 A. Mr. Manasco and I would have had some discussion on
10 this item. In the end, I -- this would have been more of a
11 legal issue that I would have relied on advice from
12 Mr. Manasco, and then based on his advice, would have taken
13 that into account, since I'm not an attorney.

14 Q. When was the decision made to increase the term of
15 the contract?

16 A. What do you mean by increase the term of the
17 contract?

18 Q. To -- the duration of the contract was extended
19 from 20 years to 30 years. When was the decision to do that
20 made?

21 A. The decision to increase the term of the contract
22 from 20 to 30 years would have been sometime during the
23 negotiations, which would have occurred between June -- late
24 June of 2008, up until April 17th, 2009. I can't tell you
25 specifically in that time frame when that might have changed.

1 Q. Do you recall whether it was early in the
2 negotiation process? In the middle? Towards the end?

3 A. I don't recall specifically.

4 Q. How was that decision made?

5 A. As I mentioned before, I think the term or the
6 length of the contract would have been related to other items
7 of the contract, such as pricing.

8 Q. When was the contract actually signed by you?

9 A. I believe the date on the Power Purchase Agreement
10 was April 29th, 2009.

11 Q. So you signed it on April 29th?

12 A. To the best of my recollection, that's correct.

13 Q. Where were you when you signed it?

14 A. More than likely, I was in my office.

15 Q. You don't recall?

16 A. It would have -- I would have either been in my
17 office or Mr. Manasco's office.

18 Q. Do you recall who was present when you signed it?

19 A. I believe that Mr. Manasco was present.

20 Q. Why did you sign the agreement before the city
21 commission meeting?

22 A. As I mentioned in prior responses, I signed the
23 Power Purchase Agreement, final version, and it was --
24 there's a clause in the agreement that -- subject to approval
25 of the City Commission. So I signed it subject to the

1 ultimate approval or disapproval of the City Commission.

2 Q. I understand that. My question is, why didn't you
3 wait until after the city commission meeting to sign it?

4 A. During the course of the discussions and the
5 negotiations with GREC, I had informed them at some point
6 prior to the end of the discussions that the contract would
7 be subject to approval by the City Commission, and that I
8 could sign it given that qualification.

9 Q. Okay. You still haven't answered my question,
10 which is why did you sign it before you went to the City
11 Commission? I understand that it was signed subject to
12 ratification by the City later, but why did you sign it prior
13 to going to the City Commission? Why couldn't the execution
14 of the contract wait until the City Commission had ratified
15 it?

16 A. I suppose the execution could have waited.
17 However, when we completed the discussions and the
18 negotiations, and it reached a mutually acceptable contract,
19 I guess I didn't see any reason that it couldn't be signed,
20 and then subject to the approval of the City Commission,
21 which was a clause in the contract. So if the City
22 Commission wanted to not approve the contract, they certainly
23 had that right, and my signature would not have amounted to
24 anything.

25 Q. Was anyone from GREC present when you signed the

1 contract?

2 A. As I recall, no.

3 Q. Did you -- did you sign it first? Or did they?

4 A. I don't recall specifically.

5 Q. Did you approve the presentation that Ed Regan gave
6 to the City Commission?

7 A. Which presentation that Mr. Regan gave to the City
8 Commission?

9 Q. The one he gave on May 7th, 2009.

10 A. I would have had input to what Mr. Regan presented,
11 and would have approved the information before it was
12 presented.

13 Q. Did GREC participate in creating the PowerPoint
14 presentation?

15 A. I don't believe GREC had any input to the
16 PowerPoint presentation that Mr. Regan presented at the May
17 7th, 2009 meeting.

18 Q. Did they have any involvement in the presentations
19 that were given on April 28th and May 12th of 2008?

20 A. Well, as I mentioned earlier, I was just becoming
21 or I had just arrived in Gainesville at that time. I don't
22 believe that GREC had any input to the PowerPoint
23 presentations that GRU, maybe, necessarily gave, although
24 GREC would have provided the proposals to someone at GRU or
25 the City that would have been used at some point or analyzed

1 relative to that.

2 MS. BEATTY: Just for clarity.

3 BY MS. LAHART:

4 Q. Did you have any conversations with Karen Johnson
5 prior to applying for the general manager position?

6 A. I do not believe I had any discussions with Ms.
7 Johnson prior to applying for the general manager's position
8 at GRU.

9 Q. Given that GRU anticipates no future generating
10 capacity in the immediate future to maintain reserve margin
11 requirements, can you explain why a 100-megawatt biomass
12 facility was selected?

13 A. GRU -- at GRU, we have a number of different
14 generating units of various ages, and some of the units are
15 more efficient than others. Some of the units are
16 base-loaded units. Some of the units are peaking units. So
17 the premise of your question relative to capacity is not a
18 valid premise for a question that could be answered.

19 Q. Why was a 100-megawatt biomass facility selected as
20 opposed to a 50-megawatt facility?

21 MR. DEE: Just for the record, I'm going to
22 interpose an objection to this and probably lots of
23 other ones that have already gone past on the grounds
24 that they have absolutely nothing to do with whether
25 there was a violation of the Sunshine Law. I have not

1 objected, because I understand that the Plaintiff in
2 this case is interested in these issues, and I'm happy
3 to accommodate their desire to get information about
4 those issues, but I would object to the form of the
5 question on the grounds that it's totally irrelevant.

6 BY MS. LAHART:

7 Q. Okay. You still have to answer it.

8 A. And your question was why was a 100-megawatt --

9 Q. Why a 100-megawatt biomass facility versus a 50 or
10 a 75?

11 A. Well, the 100-megawatt facility, as I recall, was
12 chosen because in one -- partially, you get economies of
13 scale with a larger facility. So, for example, the
14 infrastructure required to build a 50-megawatt plant is
15 nearly identical to the infrastructure needed to build a
16 100-megawatt plant. The incremental cost in building a
17 larger unit would be a larger boiler size, for example,
18 perhaps a larger turbine, perhaps a larger generator. So the
19 incremental cost to upsize to 100 megawatts from 50 isn't all
20 that great. So that was one consideration that would have
21 been made. Another consideration from GRU's standpoint, as I
22 recall, was likely that in the future, given the age of some
23 of our units, and the uncertainty of environmental
24 regulations, that we would be needing future capacity. So
25 given what I just indicated about the incremental cost

1 relative to increasing the size of a biomass facility, it's
2 very likely that that incremental capacity cost for a
3 baseload generating unit that happens to burn biomass as a
4 fuel as opposed to coal or gas would have been relatively
5 inexpensive.

6 Q. Did you ever testify before the PSC regarding the
7 biomass plant?

8 A. I did not testify during the needs determination
9 before the PSC.

10 Q. Do you agree with Ed Regan's representation to the
11 City Commission that a back-out clause is usual for a
12 contract like this?

13 A. I don't know the basis for your question. I can't
14 speak as to what Mr. Regan may have been referring to.

15 Q. Have you ever negotiated a contract like the Power
16 Purchase Agreement before?

17 A. In my 30-plus years of prior utility experience,
18 which included investor-owned utilities, municipal utilities,
19 and cooperative utilities, I've been involved in various
20 discussions of coal contracts, power purchase agreements,
21 rates, many types of contractual agreements.

22 Q. When it became clear that the presence of a
23 termination for convenience clause was a deal breaker with
24 Nacogdoches or with American Renewables, as it may have been
25 at that time, why did you not begin negotiations with

1 Covanta?

2 A. Could you clarify the question relative to your
3 premise that it was a deal breaker?

4 Q. At some point, you ceased negotiations regarding a
5 termination for convenience clause.

6 A. (The witness nodded his head.)

7 Q. You did that because it was -- why don't you tell
8 me. Why did you do that?

9 A. As I recall, and I think as one of your questions
10 earlier mentioned, the termination of convenience clause was
11 in the negotiation discussions for some period, perhaps up
12 until maybe through December of 2008, somewhere in that time
13 frame, which would have been more than halfway through the
14 discussions.

15 Your question as to why the termination of
16 convenience clause may have been removed or not continued in
17 the negotiations, I think there's, as I mentioned before,
18 there were a lot of various items being discussed relative to
19 the negotiations. This was one of them. One of many. So I
20 think you have to look at it in the whole context of the
21 discussion of the PPA, and what terms should be in the PPA,
22 and what terms shouldn't be in the PPA.

23 One concern that I do recall relative to the
24 termination for convenience clause expressed by the other
25 party was that it might make -- the ability to terminate the

1 contract unilaterally, from GRU's standpoint, at any time up
2 until the notice to commence, which is effectively when the
3 project would get financing or when construction would be
4 about to start, could be an issue relative to financing the
5 project. So that's one example there.

6 From our standpoint, GRU's standpoint, GREC had put
7 a fairly sizable penalty, if you want to say that.

8 Q. Wasn't the penalty \$50 million?

9 A. I don't recall ultimately what it ended up being,
10 but it was a sizable number, and when you're in a contract,
11 you want -- when you're discussing a contract, on one hand,
12 you don't want to, perhaps, put a clause in the contract that
13 might hamstring you down the road or might limit your
14 options. And in this case, there was a sentiment in the
15 community and within the Commission that, after years of
16 discussion, a biomass plant, renewable energy source, was the
17 chosen means of future generation capacity for the city and
18 for the utility.

19 I was tasked with the job to negotiate and execute
20 a contract. I certainly did the negotiations portion. The
21 contract was brought back for final approval of the
22 Commission, and it didn't make a lot of sense in some portion
23 to have a rather large monetary penalty that might accrue
24 against the utility if, for whatever reason, we got to a
25 point where the contract would be voided or not go forward.

1 So it didn't make a lot of sense that we would want to
2 penalize ourself at some point in the future relative to the
3 contract.

4 Q. But if the City hadn't voided the contract, there
5 wouldn't have been any penalty. So what was the harm in
6 including the termination for convenience clause?

7 A. As I said, I think that, from that standpoint, the
8 termination of convenience clause was perhaps unnecessary
9 relative to the other contract terms.

10 Q. And is that the reason that you did not begin
11 negotiations with the second ranked bidder?

12 A. The Commission, upon the direction to negotiate a
13 contract with Nacogdoches in May of 2008, at the May 12th
14 meeting, authorized me, as the general manager, to negotiate
15 and execute a contract. There was also an addendum, as I
16 recall, to the motion, and the minutes reflect this from that
17 meeting, that indicate that to include in the negotiations a
18 termination for convenience clause, if -- and that may not
19 quite be the proper language at the end, we definitely -- I
20 definitely included in the negotiations that clause, as you
21 indicated, since it was in the discussion drafts all the way
22 up to virtually the first of the year. So I felt that I had
23 sufficiently included what direction I was given from the
24 City Commission. That was discussed at length with the other
25 party relative to that, and then ultimately, as mentioned

1 earlier, the Commission was informed that ultimately it did
2 not make the final version of the draft, and it was approved
3 by them.

4 Q. So if I'm correct, you understood your marching
5 orders from the City Commission to be to try and get that
6 clause in, but if not, that was okay, as long as you tried?

7 A. Well --

8 MS. WARATUKE: I'm going to object to the form of
9 the question. I think it's been asked and answered, but
10 go ahead and answer it again.

11 A. What I -- what I believe my answer -- and I'll try
12 to repeat it for clarity -- is, that the minute meeting notes
13 from May 12th, 2008, directed me to negotiate and execute an
14 agreement with Nacogdoches Power, and as I recall, the
15 minutes also show from that meeting that the GM was directed,
16 myself was directed, to include in the negotiations a
17 termination clause.

18 During the course of the negotiations, there was a
19 lot of time spent in the discussions relative to the
20 termination for convenience clause, and ultimately, it did
21 not make the final version of the Power Purchase Agreement,
22 but as I indicated, it was in the draft versions for quite a
23 ways into that process, and also, ultimately, the City
24 Commission was informed that it was not in the final draft,
25 and that they did approve the contract in the final form that

1 you see today.

2 Q. Okay. You keep referencing the minutes of the
3 meeting. I've read the minutes of the meeting, but I've also
4 watched the videotape, and it seems to me that the Board
5 voted unanimously to direct you to include that in the
6 contract, a termination for convenience clause.

7 Did you not think that that was an important
8 provision to the Commission?

9 MS. WARATUKE: I'm going to object to the form of
10 the question. Go ahead and answer it, if you can.

11 A. Again, as I said, I certainly took the direction of
12 the City Commission very seriously. The minutes of the
13 meeting are the official record of the meeting. I certainly
14 did what I was directed to do, and if you would like me to go
15 through my prior answer, I would be glad to do that.

16 Q. It's not necessary.

17 A. Thank you.

18 Q. Mr. Hunzinger, you've told me repeatedly that the
19 city commissioners were informed that this termination for
20 convenience clause was not in the final contract, but they
21 voted to approve it anyway. That's your testimony?

22 A. As I said, the final version of the contract that
23 was signed -- that I did sign and was subject to the approval
24 of the City Commission did not have -- did not contain a
25 termination for convenience clause; yes.

1 Q. Are you not able to say yes or no?

2 A. I don't like words being put in my mouth.

3 Q. Okay. Although the city commissioners were
4 informed that the termination for convenience clause was
5 eliminated, was not part of the final contract, were the GRU
6 ratepayers informed of that before the City Commission
7 ratified the agreement?

8 A. I don't recall specifically if that topic was
9 discussed in the -- in the general open session or not.

10 Q. Did you discuss with Mayor Hanrahan the removal of
11 the back-out clause?

12 A. As I indicated before, we talked -- Ed Regan and I,
13 or I -- specifically talked with each commissioner relative
14 to the termination of convenience clause not being in the
15 final contract, and Mayor Hanrahan, as one of the seven
16 commissioners, would have also received that information;
17 yes.

18 Q. Do you recall having any conversations with her
19 regarding that the removal of the back-out clause, prior to
20 when the contract was fully negotiated -- in other words, did
21 you speak with her about it prior to April 17th of 2009?

22 A. I believe, as I said before, and it would have to
23 be subject to reviewing the transcript, I believe I indicated
24 that Mayor Hanrahan may have been one commissioner that was
25 curious about the contract in general, and that that may have

1 been a discussion or topic that I would have talked with her
2 about; yes.

3 Q. Do you have any specific recollections of
4 conversations with her about the removal of the back-out
5 clause other than when you were presenting her the final
6 contract?

7 A. Well, as I mentioned, certainly at the time of the
8 final contract, she was one of the seven commissioners I
9 would have talked to. I think I just said that in the year
10 of negotiations, Mayor Hanrahan would occasionally ask
11 questions relative to the contract, and how the discussions
12 were going. It's very possible that at some times -- some
13 time during that period, I would have mentioned to her that
14 the termination for convenience clause, for various reasons,
15 was not in or would not be in the final version of the
16 contract.

17 Q. So the answer to my question is, you have no
18 specific recollection of having discussed the back-out clause
19 with Mayor Hanrahan prior to when the contract had been
20 finalized?

21 MS. WARATUKE: Object to the question. Asked and
22 answered. Go ahead.

23 A. Yeah. That's not what I said. I think, if you'd
24 like for me to repeat something I've already answered at
25 least twice --

1 Q. I don't want you to repeat your answer. I just
2 want you to answer the question that I have actually asked,
3 which is, do you remember talking to her about it, or not?

4 A. I believe I've indicated that --

5 Q. I know that it's possible. I know that it's
6 likely. Do you remember discussing it with her or not?

7 A. As I said before, and I'll try to repeat this
8 again, I believe that that would have been a topic that Mayor
9 Hanrahan may have asked about. I cannot give you a specific
10 date on when those discussions may have occurred. I
11 typically met with Mayor Hanrahan on a weekly basis. So
12 during the course of one year of negotiations, and recall,
13 this was four years ago now, or more than four years ago, to
14 the best of my recollection, which I've already told you,
15 that was a topic that was likely mentioned to Mayor Hanrahan.

16 Q. Okay. I didn't ask --

17 A. I don't know how much more clear I can be.

18 Q. Well, you could say, yes, I remember discussing it
19 with her, or no, I don't. I mean, that would be much more
20 clear. I didn't ask you about any specific dates. I'm not
21 asking you if it was a face-to-face conversation or who was
22 wearing what. The only question that I've asked you, Mr.
23 Hunzinger, that you have not answered is, do you recall
24 whether you had a conversation -- let me finish my question,
25 and then I'll let you object --

1 MS. WARATUKE: I was just stopping him.

2 BY MS. LAHART:

3 Q. -- do you recall having a conversation with the
4 Mayor regarding the elimination of the back-out clause prior
5 to when the contract was in its final form?

6 MS. WARATUKE: And, Marcy, I don't mean to get
7 sideways with you; okay? I don't think he's trying to
8 be difficult. You're entitled to ask the question, and
9 you're entitled to ask the question in any way you want,
10 but he's entitled to answer the question in any way he
11 wants, to the best of his ability, and that's what he's
12 doing. And we can really sit here all day and do this,
13 but if you think there's something inappropriate about
14 what he's doing, then take it up somewhere else, but I
15 think he's doing just fine here, without being
16 difficult.

17 MS. LAHART: Okay. All I'm asking for --

18 MS. WARATUKE: And again, I'm going to object to
19 the form of the question. Asked and answered.

20 MS. LAHART: All I'm asking for is a yes or no.

21 MS. WARATUKE: Well, sometimes you can't get a yes
22 or no, because it's not an accurate answer.

23 MS. LAHART: You either remember something, or you
24 don't.

25 A. I think I've already answered your question.

1 Q. All right. Did you discuss --

2 A. Three times, at least.

3 Q. Well, I think you didn't answer it three times, at
4 least. Let's move on; shall we?

5 A. Thank you.

6 Q. What discussions do you recall having with
7 Commissioner Lowe regarding the removal of the back-out
8 clause?

9 A. As I mentioned, either Ed Regan and I, or I,
10 myself, had discussions with each individual commissioner
11 prior to the May 7th, 2009 meeting relative to the major
12 tenets of the contract. One of the items we would have
13 discussed would have been that there -- in the final version
14 of the contract, there was not a termination clause. That
15 would have also been discussed with Commissioner Lowe.

16 Q. Do you have any specific recollections about any
17 conversation?

18 A. I think I just answered your question.

19 Q. Did you discuss with Commissioner Mastrodicasa --
20 am I saying that right --

21 MS. BEATTY: You got it.

22 BY MS. LAHART:

23 Q. -- about the removal of the back-out clause?

24 A. Would you like to cover all five other
25 commissioners at once, or would you like to do this

1 individually?

2 Q. I'd just like you to tell me yes or no.

3 A. As I have indicated, either Mr. Regan and I, or
4 myself, individually, talked with each individual
5 commissioner on the major tenets of the contract.

6 Q. That sounds like a yes.

7 A. One of the items that we discussed would have been
8 the termination of convenience clause did not make the final
9 version of the contract. So since Mastrodicasa was a city
10 commissioner at that time, she would have been informed of
11 that decision, and it would have been discussed with her.

12 Q. Do you recall what she had to say on the topic?

13 A. I do not recall what her specific comments might
14 have been.

15 Q. Okay. Do you recall what Commissioner Henry had to
16 say on the topic?

17 A. I do not recall what specific comments Commissioner
18 Henry may have had relative to the fact that the termination
19 clause was not in the final version of the contract.

20 Q. Do you recall Commissioner Henry having anything to
21 say about the Power Purchase Agreement?

22 A. I believe Mr. Henry -- Commissioner Henry, as I
23 recall, was interested in what rate impact there may be
24 relative to the Power Purchase Agreement.

25 Q. Do you recall what, if anything, Commissioner

1 Donovan had to say about the removal of the back-out clause?

2 A. I don't recall what specific questions he may have
3 had at that meeting. However, I do suggest that you go back
4 and watch a meeting from April 15th, 2010, where Mr. Donovan
5 had questions of me in a public meeting, and I think I
6 answered that question, and I believe you'll get his response
7 there.

8 Q. Do you recall what, if anything, Commissioner
9 Hawkins had to say regarding the removal of the back-out
10 clause?

11 A. I don't remember specifically what Commissioner
12 Hawkins' comments may have been relative to the fact that a
13 termination clause was not in the final version of the
14 contract.

15 Q. Do you recall what, if anything, Commissioner Poe
16 had to say regarding the removal of the back-out clause?

17 A. Again, I do not remember what specific comments
18 Commissioner Poe may have had relative to the termination
19 clause not being in the final version of the contract.

20 Q. Is it true that a late payment owed to the City of
21 Gainesville by the City of Alachua was waived in exchange for
22 them supplying the reclaimed water to GREC?

23 A. There is no truth to that statement.

24 Q. Okay. Did you make public statements to the effect
25 of one of the benefits to GRU customers is that it would not

1 cost us a penny -- the biomass plant would not cost us a
2 penny until the electricity was flowing?

3 A. I don't recall making that specific statement.

4 Q. Do you know whether Mr. Haddad was given a redacted
5 copy of the binding proposal, or whether he was aware of the
6 contract price?

7 A. I'm not aware of what contract Mr. Haddad might
8 have seen. However, since I believe Mr. Haddad was asked to
9 review the contract and give us some advice, Mr. Haddad
10 probably looked at a version that included the pricing, or
11 was aware of the pricing.

12 Q. Do you know how much Mr. Haddad was paid for his
13 services?

14 A. I do not.

15 Q. How were the results of the Haddad reports used in
16 the negotiations?

17 A. The information that Mr. Haddad provided would have
18 been just another source of information relative to myself
19 and other team members as we analyzed the contract.

20 Q. Did you give or show the city commissioners the
21 Haddad reports?

22 A. To my knowledge, I did not provide any of the
23 Haddad reports to the City Commission.

24 Q. Did you tell the commissioners that the Haddad
25 reports showed that construction prices had actually gone

1 down rather than up?

2 MS. WARATUKE: I'm going to object to the form of
3 the question. Go ahead and answer it, if you can.

4 A. I have no specific knowledge of the information in
5 the question that you just asked at this time.

6 Q. Is it your testimony that you don't think the
7 Haddad report showed that construction prices had gone down?

8 A. If you have information you'd like me to review,
9 I'd be glad to review that. At this time, I don't -- I don't
10 have any information relative to that question.

11 Q. So it is your understanding or you would deny a
12 statement that the Haddad reports showed the construction
13 prices had decreased since the RFP had submitted -- been
14 submitted?

15 MS. WARATUKE: Objection.

16 A. I don't have any information relative to the Haddad
17 reports that you're referencing.

18 Q. Did Mr. Haddad express an opinion that GRU was not
19 using an accurate cost adjuster?

20 A. I have no specific knowledge of the contents of
21 that question.

22 Q. Were the Haddad reports provided to GREC?

23 A. I do not believe the Haddad reports would have been
24 provided to GREC.

25 Q. Whose decision was it to provide the Haddad reports

1 to the Public Service Commission in a redacted format?

2 A. I don't recall if the Haddad information was
3 provided to the Public Service Commission or not.

4 Q. When you met with the individual members of the
5 City Commission, did you discuss the increase in price to the
6 City?

7 A. Could I ask you to clarify increase to the price to
8 the City from what?

9 Q. From the RFP.

10 A. I believe that when Mr. Regan and I, or I,
11 discussed the final version of the contract with the City
12 Commission, that we would have discussed the pricing
13 implications of the contract.

14 Q. Were you solely responsible for the decision to
15 negotiate an increase in the price that the City Commission
16 had previously approved?

17 A. As I mentioned earlier in response to a number of
18 similar questions, I had the ultimate authority on what terms
19 and conditions were in the Power Purchase Agreement, so any
20 ultimate pricing decisions or conditions that were
21 contained -- are contained in the final Power Purchase
22 Agreement would be my responsibility. That is correct.

23 MS. LAHART: Let me take five minutes.

24 (Thereupon, there was a recess at 4:08 p.m., and
25 the deposition reconvened at 4:18 p.m.)

1 BY MS. LAHART:

2 Q. As tedious as this is, I'm going to hand you some
3 documents. Most of them I'm not even going to have questions
4 about. I'm just going to ask you to authenticate them,
5 meaning identify what they are for the record. And this
6 makes Mr. Dee really bored, so I'm going to do this as
7 quickly as I can.

8 I think some of these are already exhibits to other
9 depositions, but I think the fastest way to do this is just
10 to do it.

11 So I'm going to hand you an e-mail, dated March
12 30th, 2008, from Mr. Bachmeier. You are cc'd on it. Could
13 you identify that for the record?

14 MR. MCDERMOTT: Are we going to start with 48 on
15 these?

16 MS. LAHART: Sure.

17 MR. MCDERMOTT: Okay. It's just easier.

18 MR. DEE: And I'm sorry. Did you say June 30th?

19 MS. LAHART: Yes. That's the date of the e-mail.

20 MR. DEE: Thank you.

21 (Thereupon, Plaintiff's Exhibit Number 48 was
22 marked for Identification.)

23 BY MS. LAHART:

24 Q. Can you identify the document for the record? Is
25 it an e-mail that you received?

1 A. I'm not through looking at it, if you don't mind.

2 Q. I'm sorry. I'm just trying to get Mr. Dee on the
3 road.

4 A. What you've handed me appears to be an e-mail from
5 Mr. Bachmeier to a number of individuals, one of which I am
6 included, that would be notes from, based on the title, the
7 Nacogdoches Power and GRU meeting that occurred on June 27th,
8 2008.

9 MS. WARATUKE: So that's going to be 48, then,
10 Shawn?

11 THE COURT REPORTER: Yes.

12 MS. WARATUKE: Okay.

13 BY MS. LAHART:

14 Q. How was it that poor Mr. Bachmeier got delegated
15 the task of being the note keeper?

16 A. I don't recall specifically how Mr. Bachmeier ended
17 up being kind of a note-taker for us, but he seemed to do a
18 really good job.

19 Q. The next document I'm going to hand you we'll mark
20 Exhibit 49. It is a July 30th, 2008 e-mail. And if you
21 could do the same thing.

22 (Thereupon, Plaintiff's Exhibit Number 49 was
23 marked for Identification.)

24 A. Well, what you've handed me appears to be, based on
25 the title notes, an e-mail with an attachment that contains

1 notes from a meeting of Nacogdoches Power and GRU on July
2 29th, 2008, of which I was present.

3 Q. Thank you. We'll skip the next one. I'm going to
4 hand you a document. It's an e-mail from Mr. Jonathan Cole
5 to Josh Levine dated November 21st, 2008. It says.

6 (Reading) "Josh, attached, please find a revised
7 draft of the GRU/GREC PPA. The attached black line shows
8 changes from the draft previously circulated by you. You
9 will note that we moved some sections around. Moved text
10 will show in the black line as green italics text. Note that
11 this draft remains subject to GRU's further comment and
12 review. We look forward to discussing this draft with you."

13 In the course of negotiating this agreement when
14 Mr. Cole would send out an e-mail like this, would you have
15 reviewed the attachment prior to him sending it?

16 A. If you don't mind, I'd like to look at the document
17 --

18 Q. Oh, absolutely.

19 A. -- first before you ask any questions about it.

20 Q. Your counsel has a copy there.

21 A. So what was your question?

22 Q. My question is, did you review that draft before
23 Jonathan Cole forwarded it to Josh Levine?

24 A. I don't know if I specifically reviewed the draft
25 in question here, but I can tell you generally how this

1 process worked.

2 Q. Okay.

3 A. As I mentioned before, earlier in the discussion or
4 the deposition today, changes relative to -- any changes that
5 were made relative to draft versions of the PPA typically
6 were distributed within GRU. Individuals had the ability to
7 comment. And whether they -- those comments may have been
8 discussed with me prior to or after the changes got made in
9 the draft. Certainly, at a point, I would have had input and
10 either approved or not approved language that ultimately made
11 it into either that particular draft or the next draft of the
12 contract version.

13 Q. Okay. Thank you. That will be Exhibit Number 50.

14 (Thereupon, Plaintiff's Exhibit Number 50 was
15 marked for Identification.)

16 BY MS. LAHART:

17 Q. This is a December 23rd, 2008 e-mail. Your
18 attorney can give you a copy of it.

19 MS. WARATUKE: This one?

20 MS. LAHART: Yes.

21 MS. WARATUKE: Okay. I just had some extra ones at
22 the top of mine, which is why I was confused.

23 MS. LAHART: Yeah. I'm not going to make all of
24 them exhibits. Trying to keep you on your toes, Liz.

25 MS. WARATUKE: I thought we were using different

1 ones, which is why I wasn't looking, but now I'm on
2 track, I think.

3 BY MS. LAHART:

4 Q. Can you identify this document for the record?

5 A. Could I ask, to make sure that I'm looking at the
6 same one you are, how many pages are in your document?

7 Q. Not a very trusting soul; are you? Here, I'll give
8 you my copy. You can compare it. The only difference is
9 that I've highlighted the good part on mine.

10 A. Okay. Thank you.

11 MR. DEE: Can you identify the date and the heading
12 so that I can follow along too?

13 MS. LAHART: Tuesday, December 23rd, 2008, 4:38
14 p.m.

15 MS. WARATUKE: 4:38? See, I have a 4:49.

16 MS. LAHART: Well, you're looking at --

17 MS. WARATUKE: Oh, right. Because he's looking at
18 mine.

19 MS. LAHART: -- the next one.

20 MS. WARATUKE: Okay. Got it.

21 A. All right. So what was the question?

22 Q. Would you identify the document for the record?

23 A. I will try as soon as I've finished looking at it
24 here.

25 Q. Take your time.

1 A. This appears to be an e-mail from Mr. Levine to the
2 GRU negotiating team, which would include Mr. Regan, myself,
3 Mr. Stanton, Mr. Bachmeier, and Mr. Manasco, and Mr. Cole.
4 The subject appears to be Mr. Levine attaching a revised
5 version of the PPA or an updated version relative to
6 information items discussed at a, what I think was, a
7 person-to-person or an in-face meeting on December 8th and
8 9th in Gainesville.

9 Q. What I wanted to ask you about was the last two
10 sentences in the first paragraph. It says:

11 (Reading) "Jonathan Cole has already reviewed this
12 to make sure that I have captured everything, as well as add
13 some clarification on shut-down language, confidentiality,
14 survivability, and some other definitions. Jonathan has made
15 one new suggestion, which I did not accept, but have included
16 as a comment in Section 25.1.3."

17 Is that suggestion that Jonathan made something
18 that you would have -- he would have run by you before he
19 communicated it to Nacogdoches?

20 A. I don't know what Section 25.1.3 refers to. I'd be
21 glad to look at that, but again, I can tell you in general
22 that when -- how this worked relative to GRU is that any
23 changes made to the PPA were typically discussed beforehand
24 with the group, with the team, of which I would have been
25 involved, and of which they would have gotten my concurrence

1 or not, or my approval or not. In this particular case, I
2 don't know if this was a minor change, as for a wording
3 change, or I just -- at this time, I don't know what Section
4 25.1.3 is without looking at it. I'd be glad to try to look
5 that up if you have a copy of the contract.

6 Q. I do. It happens to be Exhibit 1.

7 MS. WARATUKE: You might need to go back to the
8 beginning --

9 THE WITNESS: Yeah.

10 MS. WARATUKE: -- and see what section it's dealing
11 with.

12 THE WITNESS: All right.

13 A. Well, okay. So this e-mail has a reference of
14 December 23rd, 2008. I'm not sure that Section 25.1.3 that
15 was discussed at that time was the Section 25.1.3 that
16 ultimately made it to the final contract.

17 Q. Okay.

18 A. There could have been adjustments there. In
19 addition, in reading the e-mail, it says that Jonathan made a
20 suggestion of which I don't know what that suggestion was,
21 since there's no detail. It could have been a very minor
22 suggestion of which Mr. Levine did not accept. He indicates
23 he's included as a comment in a certain section of the
24 contract. I see no comments relative to this final document.

25 Q. Okay. So it wouldn't be unheard of for a member of

1 the GRU negotiating team to suggest languages -- language or
2 make suggestions to the other side without running those
3 suggestions by you first?

4 A. I think I've answered that, in general, that would
5 be very atypical of how the process worked, and that the
6 typical process would have been that any draft revisions
7 would have been discussed either individually with members of
8 the GRU team, and again, I would reiterate that that team
9 would be Mr. Cole, Mr. Stanton, Mr. Regan, Mr. Manasco,
10 Mr. Bachmeier, or that, as a group, including myself, those
11 individuals, and I would have discussed various changes prior
12 to going into a draft revision. That would have been a more
13 typical way that draft changes were made from one version to
14 the other.

15 Regardless of how the changes were made in a draft,
16 ultimately that draft would then be redistributed to the team
17 members of GRU, including myself, and I assume the other
18 party, GREC, for review, and perhaps additional changes or
19 modifications based on how it fit in the overall structure of
20 the contract, of which ultimately I would have had the
21 approval on what language was reflected in the final terms
22 and conditions of the PPA.

23 Q. I understand that you had approval of the final
24 language. Did you have approval of all of the suggested
25 changes that were made by your staff?

1 A. That was certainly the intent.

2 MS. LAHART: Okay. Could I have this marked as
3 Exhibit 51?

4 (Thereupon, Plaintiff's Exhibit Number 51 was
5 marked for Identification.)

6 BY MS. LAHART:

7 Q. Would you look at the next document in Ms.
8 Waratuke's stack? Would you like to look at my copy to make
9 sure it's the same?

10 A. If you could tell me how many pages it is, we might
11 be able to...

12 Q. Six.

13 A. I have six pages here.

14 Q. Okay. Can you identify this document?

15 A. This is going to take a while. It looks like a
16 string of e-mails.

17 Q. You don't have to be real specific.

18 A. But you never know what may be contained.

19 This document appears to be a string of rather long
20 e-mails between various individuals related to the various
21 issues related to the Power Purchase Agreement that had been
22 discussed at prior meetings, and it's kind of an information
23 exchange.

24 Q. Do you agree with me that you're not even copied on
25 several of these e-mails?

1 A. As I said, this appears to be a number of different
2 e-mails that are informational relative to some of the tenets
3 of the agreement. It looks like I'm copied on at least one,
4 maybe more, of the e-mails.

5 Q. Well, let's look at the very last one in the
6 string, December -- Tuesday, December 23rd, 2008. Mr. Levine
7 says to Mr. Regan:

8 (Reading) "In terms of your suggestion about
9 prepaid through a third party conduit, we will be open to
10 discussing any possibility that would work for both parties
11 and allow us to get the deal done on the most favorable terms
12 to both parties."

13 It looks to me like there is negotiation between
14 Mr. Regan and Mr. Levine that's copied on a lot of folks, but
15 you're not included. Am I misunderstanding this e-mail
16 somehow?

17 A. Is the e-mail you're referring to the one on Page
18 1?

19 Q. Yes.

20 A. Okay. The way I read what you've just
21 characterized there is more of just an information item that
22 this is something that could be considered, and that there
23 would be a lot more work required, a lot more negotiation or
24 discussion required between both parties, GREC, LLC and GRU,
25 before anything like this would even be considered to be put

1 in the Power Purchase Agreement's terms and conditions. This
2 appears to me to be a very very preliminary mention of this
3 topic.

4 Q. Okay.

5 (Reading) "We can definitely provide you with a
6 non-fuel energy charge, as well as a fixed O&M charge that
7 are fixed with no escalation."

8 That's a very tentative statement?

9 A. You were referring to the second paragraph in your
10 prior question. If you have another question on the first
11 paragraph, I'd be happy to try to answer that too. You
12 didn't have a -- yours was a statement, not a question.

13 MS. LAHART: Can you read the question back?

14 (Thereupon, the court reporter read back the
15 previous question.)

16 BY MS. LAHART:

17 Q. Question mark.

18 A. Now moving to the first paragraph, I stand
19 corrected on your question. Reading the first paragraph,
20 which has two -- three sentences, it appears -- and let me
21 read this all so that it's in the record here. It looks to
22 be an e-mail from Mr. Levine to Ed Regan.

23 (Reading) "Hello, Ed. Dated Tuesday, December
24 23rd, 2008, 4:49 p.m. I believe you are away until January
25 5th, and we can discuss in further detail at that time, but I

1 wanted to respond to the e-mail you sent on Friday afternoon.
2 We can definitely provide you with a non-fuel energy charge
3 as well as a fixed O&M charge that are fixed with no
4 escalation. We will provide this in addition to rates that
5 escalate."

6 I think the background on that three-sentence
7 paragraph is this: This would have followed up face-to-face
8 meetings in December I believe that were held in Gainesville.
9 I believe the dates were December 8th and December 9th.

10 One of the items that was likely discussed at that
11 meeting was whether the pricing should be at an escalating
12 basis, or whether it should be fixed over time. This appears
13 to be Josh's response to Ed that they will work on a pricing
14 methodology that will, in addition to providing cost
15 escalation pricing, will also provide a fixed pricing over
16 time, as we discussed earlier in the deposition, relative to
17 the non-fuel energy charge. That's how I'm reading this
18 topic.

19 And this is also something that, relative to the
20 contract, I felt was a very important part of the contract to
21 have pricing fixed over a term, and not subject -- subject
22 GRU ratepayers and customers to an escalating price with the
23 risk of all the inflation that could be subject to GRU
24 customers. So this was a way to fix that cost over time and
25 not subject our customers to inflation, whatever that might

1 be, over a 30-year time period. So that's the basis and the
2 background for this paragraph as I read it.

3 Q. Okay. Thank you.

4 MS. LAHART: It will be Exhibit 52.

5 (Thereupon, Plaintiff's Exhibit Number 52 was
6 marked for Identification.)

7 A. And I might add that I was in the -- obviously in
8 the December 8th and 9th meetings where the pricing would
9 have been discussed, and was the individual that wanted to
10 see fixed pricing over the term relative to escalation.

11 Q. Okay. That's good to know. Can we move on to the
12 next document? I have three pages.

13 A. By some coincidence, so do I.

14 Q. Happy coincidence.

15 This is an e-mail from Mr. Bachmeier to Mr. Levine
16 and the rest of the team.

17 A. Uh-huh.

18 Q. Dated Monday, December 29th, 2008. Mr. Bachmeier
19 says to Mr. Levine:

20 (Reading) "Attached is my latest version of the
21 Stand-by Supplemental and Startup Power Agreement."

22 A. Uh-huh.

23 Q. "I separated it from Jonathan's latest PPA draft to
24 more easily work on it."

25 A. Uh-huh.

1 Q. My question is, did you review that version before
2 it was transmitted to Mr. Levine?

3 A. Okay. If I can, I'd like to finish looking at the
4 other page.

5 Q. Take your time.

6 A. Be glad to.

7 MS. LAHART: I only have four left, David.

8 MR. DEE: Thank you.

9 MR. MCDERMOTT: Let's make that a composite
10 exhibit.

11 A. Okay. As you suggested, this appears to be an
12 e-mail from Mr. Bachmeier, dated December 29th, Monday, 2008.

13 Q. Do you think I would have misrepresented that to
14 you, Mr. Hunzinger?

15 A. I don't have any comment on that.

16 Q. Very diplomatic of you.

17 A. At 4:04 p.m.

18 And so this is to Mr. Levine from Mr. Bachmeier.
19 And what Mr. Bachmeier is forwarding here is the Stand-by
20 Supplemental and Startup Power Agreement. That agreement is
21 effectively when GRU is selling power to GREC for their use
22 in plant startup, or perhaps when the plant -- when their
23 unit is not online or in the process of their unit coming
24 online, they will be taking power from the GRU system. So
25 the agreement that's being referenced here is effectively

1 when we're selling, when GRU is selling, power to the plant,
2 the GREC biomass facility.

3 So it appears to me what Rick has done is just
4 simply split that out of the last draft version, which Mr.
5 Cole distributed at some point prior to this e-mail, and I
6 can virtually assure you that I would have reviewed and
7 looked at the Stand-by Supplemental and Startup Power
8 Agreement, because I remember discussions about that
9 particular agreement.

10 So I think he's just saying that he has separated
11 that out so that it's not such a voluminous document to look
12 through, and it's a much smaller item that can be looked at
13 individually, and then it will ultimately go back into, as I
14 recall, the Power Purchase Agreement, and it might have been
15 an appendix in the Power Purchase Agreement.

16 Q. Okay. So it's your testimony or is it your
17 testimony that you reviewed Mr. Bachmeier's work product
18 before it was sent out on Monday, December 29th, 2008, at
19 4:04 p.m.?

20 A. I believe that, relative to what he's calling the
21 Stand-by Supplemental and Startup Power Agreement, I would
22 have had the ability to review that document at some point
23 prior to this.

24 Q. Okay. Would there be an e-mail from Mr. Bachmeier
25 transmitting it to you, and another one back from you saying

1 I'm okay with this, go ahead and forward it?

2 A. Mr. Bachmeier's office was relatively close to mine
3 on the same floor, as were Mr. Regan's and Mr. Manasco's and
4 Mr. Stanton's. This also could have been something we talked
5 about where he stopped by my office. I might have stopped by
6 his. I can't tell you why there's no e-mail that might say
7 that, but I do recollect discussions on the Stand-by
8 Supplemental and Startup Power Agreement.

9 Q. But you couldn't point to any document in which you
10 approved this Monday, December 29th draft?

11 A. I don't have access to that information right now.
12 I would ask, if you have that information, I'd be glad to
13 review it.

14 MS. LAHART: It would be Exhibit 53.

15 (Thereupon, Plaintiff's Exhibit Number 53 was
16 marked for Identification.)

17 MS. LAHART: Let's get the next one.

18 MS. WARATUKE: You skipped the January 7th, '09?

19 MS. LAHART: Yeah.

20 MS. WARATUKE: Okay.

21 MS. LAHART: I've heard all I need to know about
22 the Stand-by Supplemental and Startup Power Agreement
23 now.

24 MS. WARATUKE: Oh, I think we need more.

25 THE WITNESS: I'm glad I could provide you an

1 education.

2 MR. DEE: So which document are we making as
3 Exhibit 54?

4 MS. LAHART: I'm not sure we're going to mark one
5 at all, Mr. Dee. I'm just trying to wrap things up over
6 here.

7 MS. WARATUKE: Right now we have the 1/26/09
8 e-mail. Is that the one you have?

9 BY MS. LAHART:

10 Q. Mr. Hunzinger, I'm just going to ask you to
11 identify the next document for the record.

12 A. Okay. This document is from Mr. Levine, dated
13 April 14th, 2009, 10:21 a.m., to a number of individuals,
14 including myself, Mr. Regan, Mr. Bachmeier, Mr. Stanton, Mr.
15 Hoffman, Mr. Cole, Mr. Manasco, Mr. Fagan, Mr. Schef Wright,
16 Mr. Gordon.

17 It appears to be Mr. Levine's summary of items
18 prior to our last face-to-face meeting with GREC that are
19 still outstanding, and need to be discussed at that
20 particular meeting, and it looks like it's a summary of items
21 relative to what we would have discussed or were potentially
22 going to discuss at that last face-to-face meeting.

23 Q. Okay. Thank you.

24 MS. LAHART: That's Exhibit 53?

25 THE COURT REPORTER: 54.

1 MS. LAHART: 54.

2 (Thereupon, Plaintiff's Exhibit Number 54 was
3 marked for Identification.)

4 BY MS. LAHART:

5 Q. Can you identify this document for the record?

6 MS. LAHART: It's the last one, Mr. Dee.

7 A. This document appears to be an e-mail from
8 Mr. Manasco to Mr. Radson, the City Attorney, the subject of
9 GRU - Revised Ground Lease. It's dated April 15th, 2009, at
10 10:42 a.m.

11 And in the message, Skip is sending to Mr. Radson,
12 apparently, the latest version of the lease, and
13 unfortunately, it looks like he had been in the hospital,
14 that is, Mr. Manasco. It appears like, to me, this relates
15 to the lease, proposed lease of property at Deerhaven to GREC
16 for their plant site, which had been under discussion for
17 some time, of which I would have been aware of in discussions
18 with Mr. Manasco.

19 Q. Of course he would have. All right. If I could
20 take a couple of minutes to chat with Ms. Beatty, I think
21 I'm --

22 A. That was exhibit what?

23 Q. Oh, I'm sorry. Good question. Exhibit 54?

24 THE COURT REPORTER: 55.

25 MS. LAHART: 55.

1 (Thereupon, Plaintiff's Exhibit Number 55 was
2 marked for Identification.)

3 MS. LAHART: Thank you, Mr. Hunzinger.

4 (Thereupon, there was a brief recess at 4:57 p.m.,
5 and the deposition reconvened at 4:58 p.m.)

6 CROSS EXAMINATION

7 BY MS. WARATUKE:

8 Q. If I could just have that last exhibit. I think it
9 was Exhibit Number 55. I just want to ask you a couple of
10 questions about this document.

11 Exhibit -- Plaintiff's Exhibit 55 references a --
12 it's entitled "A Revised Ground Lease"? Is that correct?

13 A. Yes.

14 Q. Okay. Was this a separate agreement from the
15 purchase power agreement?

16 A. Yes. As I recall, the lease is a separate document
17 that was not included as part of the PPA.

18 Q. Okay. And what is the ground lease for?

19 A. The lease document would reflect terms and
20 conditions of a lease agreement between GRU and GREC, LLC
21 that would allow GREC to construct the biomass facility on
22 property owned by GRU, but leased to GREC over some period of
23 time.

24 Q. So this is property owned by GRU at Deerhaven,
25 whereby GRU is leasing that actual ground to GREC to build

1 the power plant on it?

2 A. That is correct.

3 MS. WARATUKE: That's all I have.

4 MS. LAHART: No followup.

5 MS. WARATUKE: Did you want to -- and we'll read.

6 (Thereupon, the deposition concluded, whereupon,

7 Mr. Dee ordered the original transcript, and Ms.

8 Waratuke and Ms. LaHart ordered copies of the

9 deposition.)

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E R R A T A S H E E T

This is to certify that I, ROBERT HUNZINGER, have read the foregoing transcription of my testimony In Re: GAINESVILLE CITIZENS CARE, INC., vs. CITY OF GAINESVILLE, d/b/a GAINESVILLE REGIONAL UTILITIES & GAINESVILLE RENEWABLE ENERGY CENTER, LLC, Case No: 01-2012-CA-001346, given on November 30, 2012, and find the same to be a true and correct transcription of said testimony with the following changes (if any):

PAGE LINE SHOULD READ:

_____	_____	_____
_____	_____	_____

CERTIFICATE OF OATH

STATE OF FLORIDA)
COUNTY OF ALACHUA)

I, the undersigned authority, certify that the
witness, ROBERT HUNZINGER, personally appeared before me and
was duly sworn.

WITNESS my hand and official seal this ____ day
of December, 2012.

SHAWN E. FLECK, RPR
Notary Public
State of Florida

Personally Known_____
Or Produced Identification_____
Type of Identification Produced_____

REPORTER'S DEPOSITION CERTIFICATE

STATE OF FLORIDA)
COUNTY OF ALACHUA)

I, SHAWN E. FLECK, RPR, certify that I was authorized to and did stenographically report the deposition of ROBERT HUNZINGER; that a review of the transcript was requested; and that the transcript is a true and complete record of my stenographic notes.

I further certify that I am not a relative, employee, attorney, or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

Dated this ____ day of December, 2012.

SHAWN E. FLECK, RPR
Notary Public
State of Florida