MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, FEBRUARY 6, 2018, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Daniel M. DeIulio; Vice Chairman Darryl Thomas-Bey; Secretary Michael A. Perri, Jr.; Mayor Linda Hudson; and Linda Cox, Acting Ex-Officio Member/City Manager.

Others present: John K. Tompeck, Director of Utilities; Rupert N. Koblegard, III, FPUA Attorney; Nina B. Penick, Director of Financial Services; Paul Jakubczak, Director of Electric & Gas Systems; Bowdoin G. Hutchinson, Director of Water/Wastewater Systems; and Lois A. Wolfe, Human Resources Manager.

The meeting was called to order by Chairman Daniel DeIulio.

Opening Prayer was by Florinda Mazzarella of FPUA.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

A motion was made by Mr. Perri, seconded by Mayor Hudson, and unanimously carried to excuse Glynda Cavalcanti from the meeting because she is sick.

A motion was made by Mr. Bey, seconded by Mr. Perri, and unanimously carried to approve the set agenda.

Mr. Tompeck said we have a walk on item called Capstone that Keith Stephens will explain to the Board and introduce some of the students.

Mr. Stephens said this is for information only to let the Board know he had the opportunity to do Capstone at IRSC as he finished his degree. He said he saw an opportunity for FPUA to benefit from the same program. As shown on the worksheet handed out prior to the meeting, it tells a little bit of what FPUA is trying to do. This course focuses on the integration of knowledge, skills, and abilities the students have and they learn through the Capstone project to identify a problem, conduct research, and recommend solutions to the problem. This program has been going on at IRSC for many years and FPUA has taken advantage of it on different occasions. Jann Widmayer and Eric Winterstein have taken advantage of the program also. Mr. Stephens saw an opportunity for FPUA to take advantage of it with our relationship with the college. He said our goal of this project is to create a campaign that will promote FPUA and develop a positive image within the community and we gave them some guidelines. It gives them a rough estimate of what they need to do and they will learn about the utility. Three of the four students are here

today and they are Tara Campbell, Kassidy Perry, and James Briggs. They are here to help FPUA to meet the expectations of the Capstone Program and we wanted to let the Board Members know. It is a good relationship with FPUA and IRSC with the community.

A motion was made by Mayor Hudson, seconded by Mr. Bey, and unanimously carried to approve the Minutes of the Regular Meeting of January 16, 2018.

A motion was made by Mr. Perri, seconded by Mayor Hudson, and unanimously carried to approve the Consent Agenda items.

1. Confirm appointment of Javy Cisneros to the position of Director of Utility Support Services.

2. Approve Post Budgeted Project/Budget Request for AQUACO at 208 Rouse Road, in the amount of $60,000 for FY 2018.

Mr. Bey asked that we go back to the approval of the minutes.

Mr. DeIulio said we will go back to approving the minutes to clarify.

Mr. Bey said he was not here at the January 16 meeting so he cannot vote and would like to abstain. He requested that we recall the roll.

Roll was recalled and those voting for approval of the minutes was Mr. Perri, Mayor Hudson, and Mr. DeIulio. Mr. Bey abstained because he was not at the meeting.

A card was received from Nate Spera, Board President of the Boys & Girls Club of St. Lucie County, thanking Jann Widmayer and FPUA for their support.

John Tompeck said the first item on the regular agenda today is the Asset Purchase Agreement with FPL from the County Line to Emerson Substation 138KV line. He said staff is requesting approval for this sale. Back in 1992, FPUA and Vero Beach entered into an agreement to jointly construct and co-own this line and associated switchyard equipment. The original purpose of this line was to provide an additional transmission feed besides the one originally in service at the Hartman substation so that the City had two sources of electricity to provide our customers. Essentially, it provided redundancy to the system for essential and reliable operation. The agreement also included the opportunity to FPUA for the first right of refusal to purchase Vero Beach's share of this line and substation. Based on the pending FPL/VB sale, we decided not to

exercise our right to buy Vero's 50% ownership stake. The asset purchase agreement will transfer FPUA's 50% ownership stake to FPL and they will solely own, operate, and maintain the asset. Mr. Tompeck said to ascertain the value of the line and associated equipment, we had our Consultant, Leidos, perform a detailed appraisal of the assets. He said this comprehensive appraisal valued the line and substation at $4,140,000 with our ownership share being half at $2,070,000. FPL agreed with this appraisal and offered us the full half share price. Some of the key features of the agreement include: it is as-is, where-is sale that protects FPUA from any liabilities or obligations related to the asset, FPL will assume responsibility for the regulatory approval of this sale at no cost to FPUA, FPUA will continue to own the 138KV line from County Line Substation to FPUA's Garden City Substation, an amendment to the existing 2008 Interconnection Agreement will be presented to the Board in the future, and the operation between the County Line Substation and Garden City will have the same operational controls as the FPL Midway and Emerson substation feeds to the Hartman substation. This is really an administrative cleanup item. By selling our portion of the line, FPUA will have no potential exposure for regulatory compliance responsibilities for NERC requirements. This was previously handled by Vero Beach. This agreement and disposition of the asset will not change the normal operation of the 138KV line to the Garden City Substation. Specific performance of the contractual terms are contingent on the final closing of the FPL/VB sale, which is currently anticipated in the fall, although Mr. Tompeck said it might be earlier. The closing for the line will happen within twenty days of the closing for the FPL/VB sale. Legal review of this agreement has been done by Mr. Koblegard and we also had Jody Finklea of FMPA review it as well. Mr. Tompeck said he would like to make a shout out to Matt Polanski of FPL who is in the audience. He would like to thank him for his help, he did a great job in getting the contract to us, handling all the revisions and made it possible getting it here as quickly as he was able to. We appreciated it.

Mayor Hudson said he is here and she assumes they are in agreement with what we are doing.

Mr. Tompeck said they signed the contract.

A motion was made by Mr. Perri, seconded by Mayor Hudson, and unanimously carried to approve the Asset Purchase Agreement with Florida Power & Light Company, of Juno Beach, Florida, for FPUA's undivided 50% share with the City of Vero Beach of the transmission line and switching station known as the County Line Substation and County/Emerson 138kV line in the amount of $2,070,000.

Mr. Tompeck said the next item is the four resolutions for the FPL/Vero Beach sale. He said Vero Beach is selling their utility to FPL. Vero Beach receives 51MW of power from three FMPA projects: Stanton (21MW), Stanton II (17MW) and St. Lucie (13MW). These numbers are very similar to FPUA's stake in these three projects. Vero Beach is asking to have FMPA All-

Requirements Project (ARP) assume Vero Beach's entitlement in these three projects. Vero Beach will pay FMPA $108 million to pay for the higher cost of power from the Projects that FMPA does not need (excess power) and protect FMPA (ARP) cities for taking on additional end of life risks associated with these projects. The $108 million is broken down into $76 million for the present value of Vero Beach's entitlements and $32 million for the risk adjusted premium. They plan on holding the $32 million in case there are any rates that get adjusted based on having to use these more expensive units. One of the other things is when these numbers were developed there were more risks than there were now. As an example, the risk at some of the coal units like the Stanton units has been reduced because they have since signed a contract for transportation, which is significantly less than it was before. That has always been one of the hang ups for one of the large costs for running a coal plant. Mr. Tompeck said all ARP cities are required to pass these resolutions before the sale can be consummated. He said at this point in time, 14 of the 19 ARP cities have approved the documents. This is a tremendously complicated transaction, but he said he will try to simplify some of the documents for the Board. Within the ARP there are different projects that ARP members have interests in for various amounts of power entitlement shares. As mentioned before, Vero Beach has interests in Stanton, Stanton II, and St Lucie II. In order for Vero Beach to leave the project, those shares have to be accepted by the ARP Members that form the Project. There are only four ARP members that have interests in Stanton, Stanton II and St. Lucie II and that is why FPUA has three agreements plus the ARP Agreement. The other members that have interest in all three of the projects are Vero Beach, Starke, and KUA. Fortunately, the agreements for each of the projects are essentially the same. Mr. Tompeck said he will highlight those documents. The first one is the City resolution which references all the other documents and is the master document when you look at it in terms of the overall transaction. The other agreements are ancillary documents which identify the specifics of the transaction. Some of those in a little bit more detail are: the Power Sales and Project Support Contract the ARP has with Stanton, Stanton II, and St Lucie has to be revised to include the additional shares and some other minor issues to remove Vero Beach from the agreement. The participant contracts for all the projects require that no transfer or assignment of the contract shall relieve the parties of any obligations. By virtue of this sale, FMPA is waiving these requirements by providing a full release and discharge of Vero Beach from any liabilities and obligations under the participant agreements. That is why there is the consideration of the $108 million is that we are waving these liabilities and obligations in the future. Another section of the documents consents to the transfer of the entitlement shares to the ARP. There is also a section that releases Vero Beach from any and all future obligations related to the project. At the same time there are waivers for the Project Participants that don't allow them to do the same thing that Vero Beach is doing, which is leaving the Project. Another section deals with the assignment of a Trustee to enforce the contracts. This is in the extremely unlikely case that there is a disagreement between a specific Project and the ARP. There are projects within the ARP like Stanton, like Stanton II, like St. Lucie, and like Tri-cities that have members and then you have the ARP. If there is a disagreement between the Project and the ARP, that sets up a conflict of interest. Then they will assign a Trustee to the Project to handle any conflict. This is extremely an unlikely case and will probably never happen, but they set it up. The last section is to identify

the resolution as a contract. This requires Mr. Koblegard to put together his legal opinion and sign-off on it and that is part of the overall package. The ARP Resolution allows for the withdrawal of Vero Beach from the ARP and the assignment of Vero Beach's power entitlement shares to FMPA. It also provides a Consent Waiver and Mutual Release Agreement for the other ARP Members not associated with the individual Projects. Mr. Tompeck said the concept here is relatively simple, it may not seem that way, but the concept is relatively simple, for Vero Beach to get out of ARP so they can go ahead with the sale to FPL. They are sending their shares in these projects back to FMPA and we are taking the risk associated with that and they are paying us $108 million. The concept is simple, but the legal documents are definitely not. Once all the ARP cities have approved the sales documents, the FMPA Board will vote on the sale. It is anticipated that will happen in March. Mr. Tompeck said he will entertain any questions and when we have gone through the questions will vote and unfortunately Florinda will have to read each of the resolutions and we will go from there.

Mr. DeIulio asked how long we have been working on this, five years.

Mr. Tompeck said the FPL/Vero Beach sale thing has been going on for at least that long from the very beginning. He said it got a lot more serious six or eight months ago when Jacob Williams got involved and really pushed to get it to happen. He has worked out an exceptionally good deal for us and he is has removed as much risk as possible. For the risk that is still there we are going to be compensated fairly and we really should not have any problems. The risk gets less as the years go on because part of the risk associated with Stanton and Stanton II is they have a lot of outstanding debt. Some of that debt comes off the books here in the next couple of years and some of it comes of the books a couple of years after that and it makes the exposure a lot less. If the closing is pushed up to July or something like that in which Mr. Tompeck said he has heard some discussion of about it, they would actually pay us more than $108 million. He thinks it is about $1.3 million more per month in advance of that. If it is after October, it would be $1.3 million less per month because the earlier you have it, the more risk and the later you have it the less risk you have.

Mayor Hudson said for the public's information and clarification for her, this is an unorthodox way of letting somebody out of the FMPA, but we have worked through that. She said one of the things Mr. Tompeck said is if some participant wants to get out in the future, they cannot do it this way.

Mr. Tompeck said they cannot do it based on the documents approved here.

Mayor Hudson said not that she is interested in it, she just wanted to know. She said we go back to square one and we are all in the same boat together, just without Vero.

Mr. Tompeck said that is exactly right. He thinks for the obvious reasons FMPA has made it almost impossible to get out of the ARP Contract. There are a lot of reasons driving this not just that Vero Beach wants out of the ARP. There is some political pressure and some other things.

Mayor Hudson said they are right next door and we have all been following it because we share the newspaper and we are all a part of this Board. We have been dealing with this for a long time. She said for herself she is happy we are coming to a resolution of it.

Mr. Tompeck said it is time and there was a holdup for a couple of years because FMPA was reluctant to provide a buyout to Vero Beach on how much it would cost to get out of the Project. He said Jacob Williams, when he came on board, did a terrific job in pulling that together and getting the sale moving forward.

Mayor Hudson said you have to have two willing parties. She asked what has to happen now, do we read the resolution.

Mr. Tompeck said we read the resolution and then vote on it.

Mr. Perri asked if we have to read each one individually.

Mr. Tompeck said he is afraid so and there are four resolutions.

Mrs. Mazzarella read into the record the title of Resolution No. U.A. 2017-11 as follows: "Resolution No. U.A. 2017-11, (Stanton Project Participant). A resolution of the Fort Pierce Utilities Authority, Fort Pierce, Florida, in accordance with the Charter of the City of Fort Pierce, Florida, Article XII, (the "Stanton Project Participant") (i) providing for the incorporation of certain findings, defined terms, and general provisions; (ii) approving amendments to the Stanton Power Sales Contract, as amended, and Project Support Contract, as amended, between Florida Municipal Power Agency and the Stanton Project Participant; (iii) consenting to the transfer and assignment between the City of Vero Beach and Florida Municipal Power Agency, with respect to the All-Requirements Power Supply Project, of a 32.521% power entitlement share in the Stanton Project; (iv) consenting to amendments of the Stanton Power Sales Contract and Project Support Contract between Florida Municipal Power Agency and the City of Vero Beach, and waiving certain rights to have such amendments for the City of Vero Beach included in the Stanton Project Participant's Stanton Power Sales Contract and Project Support Contract; (v) providing for the mutual release by the Stanton Project Participant and the City of Vero Beach, Florida, for obligations and claims related to Florida Municipal Power Agency; (vi) providing for the mutual waiver and release of the City of Vero Beach, Florida from obligations related to the Stanton Project; (vii) providing for the assignment of certain rights and obligations under the Stanton Power Sales Contract and Project Support Contract between Florida Municipal Power Agency and the City of Vero Beach, to be assigned to the Stanton Bond Trustee (as defined herein) to enforce such contracts; (viii) declaring that this resolution is valid and legally binding upon

project participant and constitutes a contract; (ix) designating authorized officers of Stanton Project Participant; (x) taking certain other actions; and (xi) providing an effective date."

Mr. DeIulio said that was xi.

Mrs. Mazzarella said that was xi.

A motion was made by Mr. Perri, seconded by Mayor Hudson, and unanimously carried to adopt Resolution No. U.A. 2017-11 - Stanton Project as presented.

Mrs. Mazzarella read into the record the title of Resolution No. U.A. 2017-12 as follows: "Resolution No. U.A. 2017-12, (Stanton II Project Participant). A resolution of the Fort Pierce Utilities Authority, Fort Pierce, Florida, in accordance with the Charter of the City of Fort Pierce, Florida, Article XII, (the "Stanton II Project Participant") (i) providing for the incorporation of certain findings, defined terms, and general provisions; (ii) approving amendments to the Stanton II Power Sales Contract, as amended, and Project Support Contract, as amended, between Florida Municipal Power Agency and the Stanton II Project Participant; (iii) consenting to the transfer and assignment between the City of Vero Beach and Florida Municipal Power Agency, with respect to the All-Requirements Power Supply Project, of a 16.4887% power entitlement share in the Stanton II Project; (iv) consenting to amendments of the Stanton II Power Sales Contract and Project Support Contract between Florida Municipal Power Agency and the City of Vero Beach, and waiving certain rights to have such amendments for the City of Vero Beach included in the Stanton II Project Participant's Stanton II Power Sales Contract and Project Support Contract; (v) providing for the mutual release by the Stanton II Project Participant and the City of Vero Beach, Florida, for obligations and claims related to Florida Municipal Power Agency; (vi) providing for the mutual waiver and release of the City of Vero Beach, Florida from obligations related to the Stanton II Project; (vii) providing for the assignment of certain rights and obligations under the Stanton II Power Sales Contract and Project Support Contract between Florida Municipal Power Agency and the City of Vero Beach, to be assigned to the Stanton II Bond Trustee (as defined herein) to enforce such contracts; (viii) declaring that this resolution is valid and legally binding upon Project Participant and constitutes a contract; (ix) designating authorized officers of Stanton II Project Participant; (x) taking certain other actions; and (xi) providing an effective date."

Mr. DeIulio said that was xi again, you did great until the very last one.

Mayor Hudson asked before we make a motion is it 2017 for these resolutions.

Mr. Tompeck said that is our internal number.

A motion was made by Mayor Hudson, seconded by Mr. Bey, and unanimously carried to adopt Resolution No. U.A. 2017-12 Stanton II Project as presented.

Mrs. Mazzarella read into the record the title of Resolution No. U.A. 2017-13 as follows: "Resolution no. U.A. 2017-13, (St. Lucie Project Participant). A resolution of the Fort Pierce Utilities Authority, Fort Pierce, Florida, in accordance with the Charter of the City of Fort Pierce, Florida, Article XII, (the "St. Lucie Project Participant") (i) providing for the incorporation of certain findings, defined terms, and general provisions; (ii) approving amendments to the St. Lucie Power Sales Contract, as amended, and Project Support Contract, as amended, between Florida Municipal Power Agency and the St. Lucie Project Participant; (iii) consenting to the transfer and assignment between the City of Vero Beach and Florida Municipal Power Agency, with respect to the All-Requirements Power Supply Project, of a 15.202% power entitlement share in the St. Lucie Project; (iv) consenting to amendments of the St. Lucie Power Sales Contract and Project Support Contract between Florida Municipal Power Agency and the City of Vero Beach, and waiving certain rights to have such amendments for the City of Vero Beach included in the St. Lucie Project Participant's St. Lucie Power Sales Contract and Project Support Contract; (v) providing for the mutual release by the St. Lucie Project Participant and the City of Vero Beach, Florida, for obligations and claims related to Florida Municipal Power Agency; (vi) providing for the mutual waiver and release of the City of Vero Beach, Florida from obligations related to the St. Lucie Project; (vii) providing for the assignment of certain rights and obligations under the St. Lucie Power Sales Contract and Project Support Contract between Florida Municipal Power Agency and the City of Vero Beach, to be assigned to the St. Lucie Bond Trustee (as defined herein) to enforce such contracts; (viii) declaring that this resolution is valid and legally binding upon Project Participant and constitutes a contract; (ix) designating authorized officers of St. Lucie Project Participant; (x) taking certain other actions; and (xi) providing an effective date."

A motion was made by Mayor Hudson, seconded by Mr. Bey, and unanimously carried to adopt Resolution No. U.A. 2017-13 - St Lucie Project as presented.

Mrs. Mazzarella read into the record the title of Resolution No. U.A. 2017-14 as follows: "Resolution No. U.A. 2017-14 (All-Requirements Power Supply Project Participant). A resolution of the Fort Pierce Utilities Authority, Fort Pierce, Florida, in accordance with the charter of the City of Fort Pierce, Florida, Article XII, (the "ARP Project Participant") (i) providing for the incorporation of certain findings, defined terms, and general provisions; (ii) approving Amendment No. 2 to the All-Requirements Power Supply Project Contract, between Florida Municipal Power Agency and the ARP Project Participant, with respect to the All-Requirements Power Supply Project; (iii) consenting to the transfer and assignment between the City of Vero Beach and Florida Municipal Power Agency, with respect to the All-Requirements Power Supply Project, of (a) a 32.521% power entitlement share in the Stanton Project, (b) a 16.4887% power entitlement share in the Stanton II Project and (c) a 15.202% power entitlement share in the St. Lucie Project; (iv) consenting to the waiver of certain requirements of the All-Requirements Power Supply Project Contract, between Florida Municipal Power Agency and the City of Vero Beach, with respect to the All-Requirements Power Supply Project, and, further, waiving certain rights of the ARP Project Participant to have such waivers for the City of Vero Beach made

applicable to the ARP Project Participant's All-Requirements Power Supply Project contract; (v) providing for the mutual release by the ARP Project Participant and the City of Vero Beach, Florida, for obligations and claims related to Florida Municipal Power Agency; (vi) providing for the mutual waiver and release of the City of Vero Beach, Florida, from obligations and claims related to the All-Requirements Power Supply Project; (vii) providing for the assignment of certain rights and obligations under the Vero contracts (as defined herein) to be assigned to the Bond Trustee for the All-Requirements Power Supply Project for the enforcement of such contracts; (viii) declaring that this resolution is valid and legally binding upon the ARP Project Participant and constitutes a contract; (ix) designating authorized officers of the ARP Project Participant; (x) taking certain other actions; and (xi) providing an effective date."

Mr. DeIulio said he would like to add one clarification on item 3 (b) where it says a 16.4887% power entitlement share, he believes Mrs. Mazzarella read it as 16.487%. He said he does not know if that matters, but wanted to get that clarification in there.

Mayor Hudson said that corrects the record.

A motion was made by Mayor Hudson, seconded by Mr. Perri, and unanimously carried to adopt Resolution No. U.A. 2017-14 – All-Requirements Power Supply Project as presented.

Mr. Tompeck said he would like to thank the Board. He said it has been a long haul to get this up to the Board and he appreciates their patience.

Paul Jakubczak, Director of Electric & Gas Systems presented the Solar Project Resolution and contract. He said he is asking for the Board's consideration in approving Resolution No. U.A. 2018-02, which is FPUA's 3MW allotment to the FMPA Solar Project. The second is the Participation Agreement, which allows FPUA to go ahead and participate in that project as well. Back in November this was brought to the Board from FMPA and through a consensus vote and staff was given the approval to continue moving forward. This is the off ramp if we want to stop any participation in the solar project. These are the agreements that bind us to a 20-year Purchase Power Agreement with FMPA. Mr. Jakubczak said he is going to show how, as John was mentioning regarding the complexity of the agreements, this is the complexity of the agreement FMPA is going through for the solar participation. The first slide shows FMPA is looking into a 20-year Purchase Power Agreement with NextEra Florida Renewables, LLC. In addition to that, OUC is also going to be a participant in this as well. By OUC being as large as they are and going with NextEra themselves, it eliminates some risks for the FMPA Members. Because of the size of the participation throughout FMPA with the ARP Members, the Non-ARP Members, and OUC, they are looking at three 74.5MW solar farms to be built in 2020 in Florida. FMPA will sign the agreement with NextEra and they will then have to go to the ARP Board to get approval from the Executive Committee to approve the contract so the ARP can actually buy power from FMPA. It is similar to the Stanton Project, Stanton II Project, St. Lucie Project and all of those agreements

the Board just approved. They are anticipating bringing this to the Executive Committee Board and the FMPA Board either in February or March. Mr. Jakubczak said when he talked to Michele Jackson who recently has left to go work in Georgia, they are looking at March instead of February. After the ARP is done getting the agreements for this Project from FMPA as a whole, each of the participants will need to sign these resolutions that say we are going to participate in the Project. The ARP Project is about a 55MW and FPUA's share is roughly 3MW. There are some inherent risks he would like the Board to know about. These are the same risks we currently have with all the other projects as well too. Mr. Jakubczak said if one member of the ARP Solar Project defaults or does not pay their bill, the other members of this Project would then have to assume that bill. He said however, FMPA is structuring this so you cannot strategically not pay just the solar portion of the bill, it would be the entire FMPA bill, which we currently have that risk no matter what, even if we do not participate. If we have a member like KUA as a very large member and they do not pay, then all the other FMPA Members assume that risk and have to cover that portion of the bill.

Mr. DeIulio asked if the risk is based on percentage of ownership they have in this or commitment.

Mr. Jakubczak said yes in a matter of speaking yes. He said if KUA does not pay their entire bill, we are on the hook so to speak. The five members here are on the hook for their portion of that 20MW. If KUA does not pay a bill, there is more to do than just the solar portion, because that is a small portion of their entire FMPA bill.

Mayor Hudson said this mirrors the others.

Mr. Jakubczak said this mirrors exactly the way the other bills are set up. He said one thing for the Board to know is the reason a good thing that OUC is going to NextEra themselves is to help cities like Alachua and Wauchula. If OUC did not pay their bill, it would bankrupt cities of that size. That is why they are divided out separately so that the Non-ARP is about 58 and the ARP is around 55 and OUC is handling the rest of that risk. Mr. Jakubczak said the next slide he pulled off FMPA's solar presentation they made to the Board. He said it comes from the Solar Project developer and will have a Purchase Power Agreement with FMPA and OUC. FMPA consists of the ARP and the FMPA Solar Project. There will be a Solar Energy Exchange Agreement between OUC and the ARP only because the Solar Project will be in OUC's territory. There will be some transmission that we will be exchanging that way. After the FMPA Board approves it, the ARP, through its members, they would have to approve the Participation Agreement, which has to be consistent across the Board with all five Members. FPUA is going one step further in approving a resolution so we are locking in our participated amount, which is the 3MW. Similar agreements and stuff will be done for all the Non-ARP Members. Some of the pros we talked about before is we will have fixed pricing for energy for 20 years and the cost for that is less than $40/MWh as per the agreement that FMPA put in as far as what they had to accomplish in order to bring it to the Board. There is availability of two 5-year extensions. FPUA is going to start small with 3MW

and if it works well and the pricing comes in the way we are anticipating it to come, there may be opportunities for us to purchase more in the future. Mr. Jakubczak said we all know about the environmental benefits of having solar and any type of renewable in your portfolio. This also gives FPUA the opportunity for potential credits on our bill. As we do not like to say, gas prices go up, which means our power purchase costs go up, this is not affected at all by gas prices. This is locked in for 20 years and there is very stringent requirements in the Purchase Power Agreement with NextEra. Some of the cons are if the price of gas is lower, FPUA runs the risk of having a slightly higher energy bill. He thinks the last estimates he looked at when we brought it in November was maybe $0.03 or $0.04 on the average customer's bill. There is also the slight risk with all the ARP Members if a member does not pay their power bill. FMPA is structuring this so you cannot particularly say you do not feel like paying your solar bill this month, it is an all or nothing they have to spend and pay for. The next step is asking this Board for approval of the FPUA Resolution 2018-02 and that resolution locks in the 3MW amount we want to purchase from FMPA and also our Solar Participation Agreement which gives FMPA the authority to go ahead and finalize the contract with NextEra to get the Project moving forward.

Mr. Perri said to Mr. Jakubczak that at the November 7 Board Meeting when he presented this to the Board you indicated, which is the way he interprets it looking at the minutes, that if we were not satisfied with it in a few years, we could just drop out of it. Mr. Perri said that is not the case he does not think.

Mr. Jakubczak said that is not the case, it was a misrepresentation. He said all we were doing is giving FMPA an idea of what we wanted to participate in and as they were negotiating with the solar providers, they needed to get some commitment from their members so they could go and get those price breaks with the size of the solar farms. Mr. Jakubczak said he does remember talking about that and the next step would be bringing the contracts and the agreements to the Board and that is what he is doing tonight to determine if FPUA truly wants to continue moving forward with solar energy in our portfolio.

Mr. Perri said he just wants the rest of the Board Members to be clear that there is no dropping out of this, when you are in it, you are in it.

Mr. Jakubczak said there is no dropping out once we agree to this, it is a locked in 20-year project, similar to the Stanton Project, Stanton II Project, and St. Lucie Project we already previously talked about.

Mr. Bey asked if we have determined what benefits our ratepayers will get from this opportunity.

Mr. Jakubczak said it will be fixed price power so as gas prices fluctuate, we saw the curves going up and down. He said if we look at the stock market how it has been going up and down the next couple of days and draw a flat line and that is what our costs for that 3MWs of power would be from FMPA in the future. As some of this restructuring goes on, we anticipate the gas prices will

probably creep up and some of the long term projections we have seen from the rate calls with FMPA show some of the pricing going above the amount we are actually going to be paying for this contract. At that point we will be seeing a credit on our bill, which will automatically be passed through to our customers.

Mr. Bey said so actually then the opportunity with solar would reduce the effects of the market with gas and that sort of thing.

Mr. Jakubczak said that is correct.

Mayor Hudson said she was not here for the earlier presentation and said the solar energy provider and what we are entering into do they have experience with this.

Mr. Jakubczak said they will and that NextEra is the Parent Company of FPL and as we have all heard, FPL is putting in a lot of solar and NextEra is very big. He said they do have, not in Florida, but they do have experience outside of Florida with solar and renewables. The other thing with this contract, is FPUA does not have any operational risk. There is quite of few determinations inside the Purchase Power Agreement with NextEra. For instance, if they do not start productions of power by 2020, they pay us penalties. They have all the maintenance costs, strict guidelines as far as how much power output we are requiring of them to put in. Degradation so you buy a new car and every so often you have to change the tires, so what is going to happen with the solar field is every so many years they are going to have to go out and clean the panels and make sure the inverters are working correctly, that is all on NextEra. All we are doing is buying a product from them.

Mayor Hudson said she knows this isn't technology and asked if there is a possibility we are not going to have these great big farms at some point in the future. She said that somebody is going to come up with something that produces solar energy without the huge investment.

Mr. Jakubczak said we are hoping that in the industry and continually hope that. He said Elon Musk just sent his Tesla Roadster into space and he is starting to roll out these roof tiles for homes that have the solar panels already built in. The price is expensive if you want to buy them, but surely as we all know more market shares are going to drive the pricing down.

Mayor Hudson asked if they are built in will they blow off in a hurricane.

Mr. Jakubczak said he does not want to be the first one to try that.

Mayor Hudson said we are dipping our toes in with 3MW and she is taking Mr. Jakubczak's word that it is a minor or good way to test it.

Mr. Jakubczak said our total peak load and normally we do not peak in the winter, but this last month our peak load for January was 110MW because of the heating affect. He said normally during the summer FPUA is running around 112MW or 115MW so 3% or a little under 3% is a good number to start with. KUA is taking 20MW, but they are 180MW or 190MW customer of FMPA.

Mayor Hudson said that helps her.

Mr. DeIulio said for clarification, FPUA is going to commit to 3MW out of the 55MW.

Mr. Jakubczak said that is correct.

Mr. DeIulio said we are then 6% of the 55MW.

Mr. Jakubczak said we will be 6% of that share of the project.

Mr. DeIulio asked what if there is problem with any other members within our group.

Mr. Jakubczak said we would get our pro-rata share of that once you take them out of it. He said we would only pay 6% of whatever is left.

Mr. Perri asked Mr. Koblegard if he has looked at the agreement.

Attorney Koblegard said he has looked at it.

Mr. Perri asked Mr. Koblegard why some of it is in red on the agreement, does that mean it is not complete.

Mr. Jakubczak said those is the Schedule B1, which is the rate schedule FMPA puts out. He said right now until FMPA approves it, it is in draft form because we do not have all the allocations from the other members yet. As the other members approve it, that will be filled in.

Mr. Perri said there are no numbers in there. He said where the price is there are a bunch of xx's.

Mr. Jakubczak said unfortunately FMPA has agreed to sign a trade secret document, which means if you would like to know what the current price is, he can tell you individually. He said they cannot put it in public records. Mr. Jakubczak said they did get them to agree because originally they did not want their name out there, but they did agree we could put their name out in the documents. They just do not want trade secrets in public documents.

Mr. Perri said he is not talking about their name, he is talking about the price FPUA is going to pay and they have xx's in there to be filled in later after we sign the contract. He said he is not comfortable with that.

Mr. Jakubczak said he understands and he can tell the Board one on one what those prices are, but they do not want to see them in a public document. He said Jody Finklea from FMPA went through an extensive explanation of why we could not do that.

Mr. Perri said he heard his explanation and he was not happy with it.

Mr. Tompeck said Chris Gowder from FMPA is here and asked Mr. Gowder if there is anything he could add to that which would make the Board feel a little bit more comfortable.

Chris Gowder of FMPA asked if he means in regard to the price.

Mr. Tompeck said in regard to the information that is not currently in the rate schedule.

Mr. Gowder said the price is fixed and there was a recent tariff imposed by the administration on the import of solar panels and we were concerned about that price. He said they had a discussion with NextEra Florida Renewables about that and they have agreed to limit that to the cap that is in the agreement even though we have not signed the agreement yet. All of that is trade secret and they are under a non-disclosure agreement so they cannot discuss the actual numbers in public. The numbers are known and he can share them with the Board individually.

Mr. DeIulio said he is confused. He said we have a set of numbers out there that cannot be entered into this document until the other particular members sign on and asked if that is how this works or until the allocations are available.

Mr. Jakubczak said that is for the percentage of allocation. He said the number Mr. Perri is talking about is the dollar figure per MWH that we cannot put in there because of the non-disclosures and the trade secrets.

Mr. DeIulio said he thought Mr. Jakubczak said the numbers could not be put in there until the other parties, there was an allocation.

Mr. Jakubczak said that is the one under the price under Schedule B1.

Mr. DeIulio asked Mr. Jakubczak how long it would be before those allocations numbers would be available to the Board.

Mr. Jakubczak said his understanding is FMPA is trying to get all of this done before this next Board meeting. He believes a lot of the other Board Members have already approved their allocations, at least the resolution or the purchase agreement to participate in the Project.

Mr. Gowder said they are about half way through that and are trying to get everyone's commitment by the end of February and it is going to go to March for the FMPA meetings. He said the number you are talking about is 3MW for FPUA and that is known. What we do not know is what the take from some of the other participants. They need to get their Boards to approve them.

Mr. DeIulio asked if it would still be under 55MW.

Mr. Gowder said no because OUC has agreed to float so whatever everyone else decides to take if that comes down to 40MW for the Project, OUC would take the remainder.

Mr. DeIulio asked if it would not necessarily be at 6%.

Mr. Jakubczak said not necessarily because what we did in the Resolution is we put in what our megawatt value would be. He said FMPA was trying to keep it at a percentage, but like Chris said, it is going to be based on the final allocation that the ARP has. Ours is 3MW no matter what that percentage is going to be.

Mr. DeIulio said what he is concerned with is with our percentage of commitment. He said if it is 3MW and you only get commitments for 30 total then that is a lot more than 3 at 55 total. What you are saying it is probably going to be 55MW because that is how it was presented in the first part of this.

Mr. Gowder said he would try to rephrase it. He said FPUA's megawatt take and cost impact is fixed based on what is decided here today. The percentage does not come into play with regard to the amount of cost exposure you have or risk exposure. If it goes up to 10% or down to 3% based on what other Members do, FPUA's cost is based on the 3MW.

Mr. Bey asked if he was basically asking us to make a commitment to be involved in the program for planning purposes so you can move forward that way and we will determine what our impact will be at another date.

Mr. Gowder said they are asking for FPUA to commit to a 3MW number for more than just planning, but for signing contracts with the developer and with the rest of the participants under FMPA. He said the impact is 3MW, you are not getting a percentage of the output of the facility, and you are getting 3MW of the facility.

Mr. DeIulio said basically our costs would be the same whether it is 55MW total megawatts or 40MW.

Mr. Gowder said that is correct.

Mr. Jakubczak said the percentage comes in with the risk portion of it. He said maybe he is misrepresenting the percentage. These numbers in Schedule B1 will change based on what all the other Boards approve for their portion of the Project. If the portion of the Project gets up to 60MW, then our percentage when the Schedule B1 goes in there will be less. Right now the anticipated amount is 55MW to 56MW. The Non-ARP members is about 58MW and like Mr. Gowder said, OUC has decided they want all three of these plants built so they are willing to take any additional amount of output that is not going to be taken by either the ARP or the Non-ARP utilities.

Attorney Koblegard asked Mr. Jakubczak if the megawatts are set at 3MW and the price is set at $40, what is the monthly bill going to have to be for the Utility Authority to never go over that figure.

Mr. Jakubczak, said no more than $40. He said the only way it would change is if a member does not pay their FMPA bill.

Attorney Koblegard said if someone does not pay their bill that is different, but if everybody pays their bill, we are set at $40 and 3MW, period.

Mr. Jakubczak said that is correct and it is not 3MW because it is a megawatt hour out of a 3MW plant because the sun does not shine all the time. He said it is going to be a lesser amount, but all we are buying is the output up to 3MW, whatever that percentage comes out to be times the rate, that is all we are going to pay on a monthly basis.

Attorney Koblegard said that is in the agreement, although it may be confusing, that is said in the agreement.

Mr. Perri said he just has a problem with a $xx.xx for a megawatt hour for the solar energy surcharge. He said that tells him that figure could be anything and he is not comfortable with that. He cannot grasp it and he is looking at it and it does not have a number in there.

Mr. Jakubczak said he totally agrees with Mr. Perri.

Mr. Perri said in the light of what has been happening with FMPA in changing the rules for some municipalities and what they have done lately, he is just not comfortable with that. He said you can do whatever you want to do, but he is not comfortable with it.

Mayor Hudson asked if there is ever going to be a time when we know the number.

Mr. Jakubczak said we can tell you off line what that number is.

Mayor Hudson asked if John Tompeck knows the number.

Mr. Tompeck said he does know the number and at some point in time it has to be incorporated. He said once all the agreements are signed, it has to be incorporated into the rate structure, it will have to be in there some point in time.

Mr. Gowder said it will remain trade secret and if you were clever and could follow the bills then you could back into it based on what is going to be public. He said it will remain trade secret.

Mr. Jakubczak said there will be a dollar figure and usage. He said if you like after the meeting he can let you know what that number is.

Mayor Hudson said but she is voting that she does not know the number, but she is voting on a cap.

Mr. Jakubczak said there is a cap and when the contracts were originally put together from ARP Members, they voted if this project gets to where the price of power was greater than $40/MWh, the project was not going to move forward. He said the price is not $40/MWh, it is less than that.

Mayor Hudson said so it would be three times $40 maximum, $120 and asked if that is right.

Mr. Jakubczak said that is megawatts and we would have to convert that to the amount of time it ran and convert that into megawatt hours.

Mayor Hudson said that is right.

Mr. DeIulio said he is getting confused and asked if Mr. Jakubczak is saying the price we do not know is less than $40/hour.

Mr. Jakubczak said the $40 number was put in there as a cap when the negotiations first started. He said when FMPA brought this to the membership, the membership said they did not want to see anything more than $40/hour and to not bring it to them because they would not approve it.

Mr. DeIulio said then we are committing to a price that is less than $40/hour, but we do not know what the price is. He said if the price is $40/hour, he asked if Mr. Jakubczak feels that is a fair price.

Mr. Jakubczak said based on the projections he has seen from FMPA during the rate call, yes. He said our power goes up and down and there are some times we are getting close to that number and there are other times, we are below that number. On an average, yes, he believes the $40MWh is a fair price.

Mr. DeIulio said then are you saying if it is less than $40, we are dealing with $40/hour as a starting point. He said we do not know what the price is so let's say it is $30/MW, then that would be a fairer price for FPUA.

Mr. Jakubczak said that would be a fairer price, but right now, the market does not have pricing that low for solar.

Mr. DeIulio said let's say $35/hour.

Mayor Hudson said is it bigger than a bread box.

Mr. DeIulio said it is almost as though we have a reversed risk. He said Mr. Jakubczak is telling us $40/hour is a fair price, but yet we are committing to a price that is probably going to be less than $40/hour and we do not know what that is going to be. Mr. DeIulio asked if he is correct.

Mr. Gowder said we know the price, but we just cannot disclose it here.

Mr. DeIulio said he understands that.

Mr. Jakubczak said if he understands Mr. DeIulio's question, yes. He said if we believe $40 is a fair price based on what we see for projections for energy in the future. Energy in the future will either be around $40 or maybe a little bit over at certain times of the year, which in turn means FPUA and its customers would be seeing a credit because we are paying for fixed price power. Now, if it is less than $40 and is $35, FPUA would have to pay the difference between the $35 cost of power and the $40 fixed price.

Mr. DeIulio said that would be more risk, if it is at $35, then we are at more risk than if it is $40.

Mr. Jakubczak said what he is saying is let's just look at fixed priced power and draw a line and say $40 is what we are going to pay for solar. He said the average cost of energy from FMPA is $38, FPUA customers would have to pay that $2 per megawatt hour for whatever the output of the plant was. If the average price of power from FMPA was $42 per MWh, FPUA would see a $2 credit per MWH for the output of that plant. It is a balancing act between where we believe the average price of power is going to be in the future from FMPA and that is all based on debt and gas pricing and future that we do not have a crystal ball for. The price of power from the 3MW is fixed for the 20 years and it is less than $40 per MWH.

Mr. DeIulio said that is riskier for us than if it was $40 or more.

Mr. Gowder said he does not believe so, he said he thinks FPUA has the same risk regardless. He said you have the 3MW take that is varying with clouds and solar insulation. That percentage of energy that is being served by the solar output is there regardless and FPUA is paying the fixed price regardless. It is not as if the price of the solar is fluctuating, it is all the other stuff.

Mr. Perri said on the enclosed rate Schedule B1, there is a demand charge, demand transmission, demand transmission again, demand transmission Kissimmee Utility Authority, energy charge $30.72. He said then you come to solar energy surcharge and you are going to add that to $30.72 and that is the one with all the xxx's, but there is no price in there. Rather than have those xxx's there, if they had not to go over $40, he would be comfortable with that. This bothers him and he cannot get it out of his head unless you can explain it to him a lot different than just a trade secret.

Mr. Bey suggested the Board take a recess and each one of the Board Members come down and Mr. Gowder or Mr. Jakubczak could whisper in their ear what the number is so we can either move forward or do whatever we are going to do. He said this seems to be the issue holding it up.

Mr. Perri asked if we are going to sign on a whisper. He said we should be signing on an item that is black and white.

Mayor Hudson said she would like to remind the Board this is a public company. She said trade secrets are one thing, but we are a government business and she is a little bit uncomfortable with that herself. Mayor Hudson said she is not uncomfortable with a cap if that is a promise. She is not uncomfortable, we are partners with FMPA, we are in business with them, and we are in business with all these other companies. She feels sure they are not approving documents with any specific trade secrets in it.

Mr. Gowder said they are.

Mayor Hudson asked if they are.

Mr. Gowder said yes and he is no lawyer, but Jody Finklea would say we have an obligation under the Sunshine Laws to keep trade secrets confidential. He said we are required by the Sunshine Law to keep that confidential

Mayor Hudson said yes you do.

Mr. Jakubczak said in answer to Mayor Hudson's question, everyone is approving the same documents without the money in there.

Mr. Perri said that is fine.

Mr. DeIulio said if you whisper in our ear some number, then how are we to interpret that number. He said in other words maybe that number from what we are gathering here so far that maybe it is between $35 and $40, for whatever reason he is guessing. We come down there and you say it is $xx, so what does that accomplish for FPUA. Does it tell us how much risk we are taking?

Mr. Gowder said it tells you the price you are paying for the megawatt hours you receive from solar.

Mayor Hudson said once we know that, what do we really know. She asked if this is time sensitive.

Mr. Jakubczak said they want to move forward. He said he knows OUC had their announcement here at the end of January that they were participating in the agreement. Mr. Jakubczak said he knows FMPA wants to sign as well in March so the solar developer can go ahead and get his stuff ready so they can be in operation in 2020.

Mayor Hudson said she was going to suggest we postpone it. She would like to suggest she is comfortable approving it 90%, but in the future, she would like to suggest we have private meetings with the Board when something like this comes up so we are not faced with this dilemma.

Mr. Tompeck said Mayor Hudson is right and this is a terrific opportunity for FPUA and it may be being over shadowed by some of the details here. He said to think for a second what it means to have a fixed price for electricity for 20 years, unheard of in today's market.

Mayor Hudson said guaranteed.

Mr. Tompeck said guaranteed, it is unheard of in today's market.

Mayor Hudson said it is in the documents because Mr. Koblegard said it was, right?

Mr. Tompeck said we know it is going to be less than $40 and he is convinced this 3MW of solar is simply replacing 3MW of other power we are buying. He said the surcharge is really going to be essentially the difference between the costs of those 3MW from conventional to the cost of the 3MW of solar. It can be positive or negative. If the price of energy gets higher in three or four years, that could be credit that would benefit us. The bottom line here is we are talking about a very small percentage, we are dipping our toes in here. Our exposure is minimal and the risk whether it be the ARP or the Non-ARP Members is no different than the risk we have from

any other projects. It is exactly the same. Mr. Tompeck said he thinks he can understand that when he reviewed the documents, he shared Mr. Perri's frustration with the red xx's in the rate. He said it is frustrating, but he feels comfortable here that we are doing the right thing and it is not going to backfire on us in the future.

Attorney Koblegard asked Mr. Tompeck if the Board knew what he knows about the red part, would they be comfortable with this agreement.

Mr. Tompeck said yes he thinks so, he said the part they are missing is just the price and the surcharge information.

Mayor Hudson said we do have a cap.

Mr. Tompeck said we do have a cap.

Mr. DeIulio said we are working with a price of $40 and asked Mr. Tompeck if the price was $35, would he be comfortable with it.

Mr. Tompeck said of course because the lower it gets, the more comfortable he is with it. He said because it is capped at $40 it makes him comfortable, it is not going to be any genuine price exposure to us based on the 3MW we are committing to here.

Mr. Jakubczak said you had talked about risk and maybe he did not explain it right. He said by purchasing fixed priced power, FPUA is eliminating some risk for future purchased power. The only thing is we are gathering an additional risk because we are adding another Project to our portfolio and we are going through FMPA. So, which one do you feel is more beneficial, is it the elimination of risk of the fixed power for the future or is it the little bit of risk you have if an FMPA Member defaults on payments. Those are really the two risks that are out there.

Mayor Hudson said she feels this is an exciting opportunity and feels like this is a really good project for our company. She said many people always ask us what we are doing with solar and they want us to be involved in that. They do not understand why we are not and she thinks this is a minimal risk to do this and thinks this is being done under the umbrella of FMPA who are our partners.

<u>Mayor Hudson moved for approval.</u>

Mrs. Mazzarella asked Mr. Koblegard if we were going to approve the Resolution first and then the Agreement.

Attorney Koblegard said that would be correct.

Mayor Hudson said she moves for approval of the Resolution.

Mr. DeIulio asked if he has one comment to make can he make it and then go from there.

Mayor Hudson said she believes you need a second and then he can make any comment he wants.

Mr. Bey seconded the motion.

Mr. DeIulio said just to satisfy him for the third or fourth time, the $40 rate he asked Mr. Jakubczak if he is comfortable with that.

Mr. Jakubczak said yes.

Mr. DeIulio said the $35 rate if it was at $35, he asked Mr. Jakubczak if he would be even more comfortable with it.

Mr. Jakubczak said yes.

Mr. DeIulio said then the $40 rate is the worst case scenario rate.

Mr. Jakubczak said correct. He said the other participants in the agreement we have with NextEra as a whole when we move forward with this when they started doing the negotiations said if any of the participants were above $40 per megawatt they did not even get a second look. The other participants that they had negotiated with before they agreed to NextEra were all below $40 per MW fixed for 20 years.

Mrs. Mazzarella read into the record the title of Resolution No. U.A. 2018-02 as follows: "Resolution No. UA 2018-02, a resolution of Fort Pierce Utilities Authority, Fort Pierce, Florida (i) approving the All-Requirements Power Supply Project Solar Participation Agreement between Florida Municipal Power Agency and Fort Pierce Utilities Authority and thereby committing to be bound by Section 10 of Rate Schedule B-1 of the All-Requirements Power Supply Contract, or its successor provision; (ii) providing authorization to commit financially to a percentage amount of the solar energy acquired by the Florida Municipal Power Agency in the event Florida Municipal Power Agency acquires such solar energy; (iii) designating authorized officers; (iv) approving and taking certain other actions; (v) providing for severability; and (vi) providing an effective date."

A motion was made by Mayor Hudson and seconded by Mr. Bey to adopt Resolution No. U.A. 2018-02. Those voting for approval were Mr. Bey, Mayor Hudson, and Mr. DeIulio. Mr. Perri voted no, motion passed.

Mrs. Mazzarella said an approval is needed for the contract.

Attorney Koblegard said if you look at Appendix A that has to be approved also.

Mayor Hudson asked what Mr. Koblegard said about Appendix A.

Attorney Koblegard said what you approved right now was the resolution, page 1 of 2. He said you have to approve each of these individually because they are all signed individually.

Mr. Tompeck said he thinks the Project Participation Agreement has to be signed.

Mayor Hudson said that is at the very back of the packet.

A motion was made by Mayor Hudson, seconded by Mr. Bey to approve FMPA Solar Energy Project Participation Agreement. Those voting for approval were Mr. Bey, Mayor Hudson, and Mr. DeIulio. Mr. Perri voted no, motion passed.

Mr. Tompeck said the Charter Review Commission met on January 23 and discussed a number of issues. He said based on the meeting, a draft final report has been developed that will be discussed at the next meeting, which will be a public input meeting on February 27. As it stands now, the Charter Review Commission is not recommending any changes to the Charter. There are some other recommendations in there about selecting Board Members and mediation on issues that we do not agree on. They felt that could be handled outside Charter amendments.

Mr. Tompeck said staff is working on Strategic Planning and will have a meeting later this week with Directors and staff to talk about Key Results Areas. He is still shooting for the middle of March for that meeting and will send out an email with some recommended dates shortly.

Mayor Hudson said she has a request and asked Mr. Tompeck to send out the notice of the public input meeting to the Board so we all have it on our calendars.

Attorney Koblegard said he does not know if everyone has had a chance to review it, but John sent a copy of Brad Culverhouse's amended Petition for Writ of Certiorari to everyone today. He said Mr. Culverhouse finally got if filed, again past the deadline. It has been put off so many times, Attorney Koblegard said he does not know if that will be an issue. Based upon the letter he received from Brad that he thinks he has mentioned to the Board before where he has offered to settle for $350,000 in lieu of bringing a claim against the Board and three Board Members, Attorney Koblegard said he has had the League look at that to make sure we are covered there and they are picking that up. Also, in light of the fact he has now filed the petition, he contacted them when he knew it was getting close last week, to see if they would actually pick up the

Certiorari Petition. He does not have a final answer yet, but Gail Bradford told him that a lot of times when there is a claim that involves coverage under the League and there is a Certiorari claim that runs kind of hand in hand and this in a way does, they sometimes pick that up and will provide coverage if there is such a thing and also handle the legal part of it. Attorney Koblegard told her we have a $25,000 deductible on the potential claim, but has not been filed yet, but the threat to do that. He asked her if there would be another $25,000 deductible on the Certiorari and she does not know, but has asked that question and will let us know. In other words, is it going to cost us $50,000 or $25,000 and that will be a decision for the Board if you want to do it. It never hurts to have more legal minds working on an issue. Although, Attorney Koblegard said he feels good about it and he does not think the Certiorari will go anywhere. He thinks, procedurally he does not think it is proper to bring that forward because the hearing on Clay's termination was not a Quasi-Judicial Hearing. The Certiorari only applies by the local rules and state rules to Quasi-Judicial Hearings, if it was not a Quasi-Judicial Petition, it should fail. We will know more about the League's position shortly and he will get that information to everybody before the next meeting. He should know tomorrow or the next day.

Attorney Koblegard said he thinks the Board also got an email that we received from Gail Bradford on the Eve Walker case. He said the last paragraph is the important one. She apparently has told our counsel she thinks there are personal cell phone or emails, text messages, or cell phone logs relating to information exchanged between Board Members and the Utility Authority they may want to have produced. Attorney Koblegard said he thinks you have already gone through that on the Rick Reed request that you have to review your own personal cell phone information. She anticipates this is coming from Eve Walker now so she just wanted to caution you that you might want to look in advance if you have any information on personal cell phones that would relate to this. Attorney Koblegard said he asked Gail Bradford if she is asking for any information on personal cell phones for a period of time or just information that might relate to Eve Walker. She said she does not know the time frame and does not know if it is going to be limited or if we can require it be limited. She said to caution the Board that this is going to be coming up, if you follow what I am saying. You cannot delete anything if it exists. Keep tight and go through there when the time comes and if there is any such thing, get the information to Florinda and we will produce it for her.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN