MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, FEBRUARY 20, 2018, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Daniel M. DeIulio; Vice Chairman Darryl Thomas-Bey; Secretary Michael A. Perri, Jr.; Deputy Secretary Glynda Cavalcanti; and Mayor Linda Hudson.

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; James Carnes, III, Acting 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 Carol Wilson of FPUA Human Resources.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

A motion was made by Ms. Cavalcanti, seconded by Mayor Hudson, and unanimously carried to approve the set agenda.

A motion was made by Mr. Bey and seconded by Mayor Hudson to approve the Minutes of the Regular Meeting of February 6, 2018. Those voting for approval were Mr. Bey, Mr. Perri, Mayor Hudson, and Mr. DeIulio. Ms. Cavalcanti abstained because she was not at the meeting.

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

1. Approve Post Budgeted Project/Budget Request for Maverick Boats in the amount of $50,000 for FY 2018.

2. Approval of no change to the Purchased Gas Adjustment.

3. Approve Memorandum of Understanding with the City of Fort Pierce to resolve any issues regarding the encumbrance or disposal of any of the City-owned properties utilized by FPUA or the properties purchased by FPUA.

4. POA 18-34: Approve the Contract with Blue Goose Construction LLC, of Fort Pierce, Florida, as a single source, in an amount not to exceed $47,804.25 for water main adjustments needed to facilitate the San Lucie Basin 2A Drainage and Roadway Project of St. Lucie

County. The term of this Contract will be from February 21, 2018 through September 30, 2018.

5. Bid No. 18-01: Approve award of Bid and Contract for the generator leak repair at the Energy Services Center (ESC) with Cummins Inc. of Columbus, Indiana, in an amount not to exceed $17,146.27. This Contract will commence upon written Notice to Proceed and end on September 30, 2018, contingent on receiving required Certificate(s) of Insurance.

A card was received from Khairazaan Ram of Family Coin Laundry, Inc. thanking Eileen Snoberger of Customer Service for her assistance at Quincy Professional.

Bill Crawford, T&D Superintendent, explained how FPUA employees assisted the US Virgin Islands with mutual aid. He said on September 10, 2017, Florida was hit by Hurricane Irma and FPUA crews worked hard and long hours to restore power, some of them did not even have power on themselves. On September 6, Hurricane Irma hit the Virgin Islands and also on September 19 by Maria. In October, FPUA received a call for help and he asked his crews and they volunteered whole heartedly. They arrived in St. Croix in November and only 20% of power was restored and the crews worked three weeks on and 14 hours a day. Mr. Crawford said the picture displayed shows the first crew that was there, Dan Brolmann, Jason Erwin, Quincey Price, and Chuck Alford. He said the second crew that went was Maurice Bacon, Mike Goldsmith, Dade Cappar, and Dan Tillman. The third crew, which they are not actually at a casino, they are staying on a cruise ship and that is Tony Gonzalez, Mike Morrison, Kevin Parrish, and Rod Johnson. They did a lot of work with some other mutual aid crews from Tallahassee and Ocala in rough terrain that they are not used to. There was a lot of mountain area they had to work through, a lot of wire down, and a lot of damage because they were hit by major hurricanes. Mr. Crawford said there was a lot of climbing they had to do, wire pulling, and a lot of total rebuilds. He said when the crews came back home in January, 98% of the power was restored with the help of FPUA crews. This is an information only item and no action is required from the Board.

Mayor Hudson asked if there is a public power company or a private power company over there.

Mr. Crawford said they have WAPA or Water and Power Authority.

Mayor Hudson asked if that is a government owned.

Mr. Crawford said yes it is.

Mayor Hudson asked if there were other crews from other places and if they stayed on the cruise ship that was in port.

Mr. Crawford said yes the crew said the cruise ship was pretty nice. He said some of the crew are here and some of them are still working, but you can ask them any questions you may have.

Mayor Hudson said she really appreciates them giving up that time and asked if they generally found it was in good shape before the hurricane.

Mr. Crawford said he could not answer that, but it was in pretty bad shape when the first crew got there. He said there was a lack of material that hindered power restoration. They had to wait on material, use old material, and waiting for poles to arrive. They were busy before our trucks got there.

Mayor Hudson said she thanks them very much.

Mr. Perri asked if we had two different shifts doing that.

Mr. Crawford said there were three crews.

Mr. Perri asked if we relieved the first group and then sent another group.

Mr. Crawford said yes.

Mr. Perri asked if we are finished down there.

Mr. Crawford said we are all finished.

Mr. Perri asked if we got reimbursed yet.

Mr. Crawford said we got our first pay check and he is not quite sure, that would be a Nina question.

Mrs. Penick said not yet paid.

Mr. Perri said thank you to the men that took the time to go down there.

Mr. DeIulio thanked the guys for going over there and taking care of those people.

Keith Stephens, Water Resources Superintendent, gave an update on FPUA's Water Quality. He said late last week he was asked to come talk about the condition of water quality here in Fort Pierce. Most recently there has been quite a few articles in the paper and around the country

about water quality and on how we treat and remove certain chemicals in the water. One of the articles was last Thursday, wasn't it Mr. Perri that was in the Tribune.

Mr. Perri said he thinks it was Thursday morning.

Mr. Stephens said they are still talking about the Flint lead crisis and he will give an update now that we have a lot more information about what happened in Flint between 2014 and 2016. He said the main reason everything started to happen there was cost cutting measures. The State took control of the utility and wanted to start cutting cost and one of the ways they were going to do that was they decided they wanted a new pipeline out of Lake Huron. In the interim while they were building this pipeline to feed Flint, they temporarily started getting water from the Flint River as their source water. It was an old line they started using and one of the problems you may remember he talked about corrosion inhibitors that FPUA puts in. It is federally mandated we put that in there because of the water. The water becomes aggressive in the pipes and it will leech metal out of the pipes. Another problem they had in Flint is they have lead pipes which we have none at FPUA. We have very little galvanized pipe, about 85% of that has been worked out. Our corrosion inhibitor still takes care of that so we do not leech any metals out of our piping. Mr. Stephens said almost 50% of Flint's service lines are lead piping so being the older city they are, that was part of their problem. He said since then there has been numerous state, local, and the old people over the utility that have been charged with felonies and he is sure people are going to jail. There has been a lot of class action suits. A lot of people sounded the alarms, nobody acted, and others tried to hide what was actual happening, which would never happen here he assured the Board. Part of the article that Mr. Perri referenced showed a lot of violations throughout the state and the country. A lot of those violations were more frequent, if you had a chance to read the article, in low income and rural areas. They do not have a lot of money and are small. They could be as small as a trailer park on these water systems and some guy comes in once a week to make sure the chemicals and the wells are pumping properly. They pump into a tank and everything works automatic or they have somebody that works seven hours a day and 16-hour days, they are just not regulated and do not have the money in rural areas. We have actually had a FDEP person tell us in previous years that is one of the reasons a lot of these smaller water systems, they want them to come under the umbrella of the bigger utilities and let us provide the water. As part of FPUA's expansion, years ago on the Island in South Hutchinson Island, the water was not available down there so a lot of the condos had their own internal water systems. They had their RO Systems until they reached the end of life so as they reached the end of life in the past few years we have three in the books right now to serve them water. We are working out contracts they have to deal with because they all have HOAs and all have to make sure everybody pays their part. We will be connecting to three more so at the end of life they are coming to FPUA to provide the water for them. Mr. Stephens said he would like to reference an article from September 2017 that he believes Mr. Perri mentioned in one of the Board meetings. He said since the Tribune was a part of USA Today network, a lot of these articles are written by national reporters and then they grab a hold of them and print here locally and that is what happened here. The TCPalm article from 2017 said "an analysis of eight of the

Treasure Coast's largest public water systems showed all but Fort Pierce Utilities Authority and Indiantown Co. received violations in the past five years." FPUA has not had any violations, but in defense of some of the violations, it could be as simple as paper work. If you do not do your paper work right even though you may not have a water problem, they still recognize that as a violation. Some of these utilities because their documentation may not have been done properly, it was not actually a violation. Attached to the Board's packet is FPUA's Consumer Confidence Report (CCR), which is the table for this year meaning it is the table from 2017. FPUA is well below the MCL and the MCLG. The MCLG is the maximum contaminant level goal and the MCL is the maximum contaminate level. FPUA is well below that on all of our numbers. The DEP or EPA on many occasions will come down and request FPUA start testing on a certain chemical. We also do tri-annual testing every three years of things and it could be random. They come down with a list and ask us to test for it that year. Most of this is done at FPUA's wells, some is done in our finished water, but obviously our source water is where the contaminants would get into our water and we do not have the capability to remove. We are very lucky we do not have any problems here in Fort Pierce and tomorrow may be a different day. FPUA does not have any problems that Mr. Stephens knows of, our water is safe to drink. FPUA does 60 bacteriological samples a month in different areas of our distribution system and they actually rotate them in the system to different areas. That 60 number is based on our population and is mandated. Every time there is a break and we have to clear a line and you hear about the two days of sampling, we have to pull two consecutive days of good sampling before they put the system back in order and say it is safe to drink. A lot of the times the water is still okay to drink, but FPUA uses the precautionary boil water notice. You hear the word precautionary because we have to do that and it is by law. We do that because we do not know once there is a break and the pressure drops below 25psi, there is a possibility of contamination. FPUA's Distribution System run by Andrew Byrd does a great job of flushing and maintaining and answering any questions for color or cloudiness or anything customers may have about the system. We are actively working to improve the water quality and always in the Distribution System and at the Water Treatment Plant. We are always looking for ways to continuously improve the water quality. Mr. Stephens said this presentation was for information only and he would be happy to answer any questions anybody may have.

Ms. Cavalcanti said as she recalls, we were going to or are using the deep well injection system to put sewer water in and asked if that is correct.

Mr. Stephens said not exactly, but he can answer that only because he worked over there, but don't hold him to everything he says. He said what we do with the return water after it is treated and the solids are removed, which they remove through a process, we still chlorinate the water and it does go down a deep injection well. It is not chlorinated and treated to the point where you can drink right out of it, but you probably could from personal knowledge. It is treated to almost that level and then they pump it down a deep injection well. The deep injection well is over 3,000-foot and it goes to an area called the boulder zone that is encased all the way down. That water and we have monitoring wells within a certain amount of feet that monitor it and we

make sure none of that water comes up into our drinking water levels. Most of FPUA's drinking water, there is no well any deeper on our Floridan side that may not be much deeper than 1,500 feet so that is how far away we are to the boulder zone where that water gets injected. Mr. Stephens said it is believed that water is out in the ocean in areas and it is still treated water and all the solids are removed. He said he is assuming that is what Ms. Cavalcanti is calling sewer water.

Ms. Cavalcanti said right and she just was wondering that a lot of communities do that and asked if it ultimately worries Mr. Stephens that it will impact our water in our state.

Mr. Stephens said no that part has never worried him because it is so deep and he is familiar because he used to drill wells and understands the different layers. He said the boulder zone is pretty deep at over 3,000 feet deep and is why we inject so far. Especially what we inject around this area. We also have a deep injection well at the Water Treatment Plant, but mainly we are putting salt water in there, or high chloride water, which is what we remove from the Floridan water and we pump that down to 15%. He would be more worried about the demand and the salt water intrusion that could happen by the over pumping of our wells, but we are very good about that. We rotate our wells and have monitoring wells all throughout the City that we do this for South Florida and we give them and measure for chlorides being salt. We actually do the sampling for them and send it in monthly. They are different levels and we test to see if there is saltwater intrusion in the surficial aquifer, which is unusually within the first 120 to 150 feet. Most of our wells are in that area.

Mayor Hudson said that is very interesting, thank you.

Mr. Tompeck said Javier Cisneros represented FPUA at the Legislative Rally in Tallahassee two weeks ago and there was several interesting topics discussed and he will bring us up to date on those topics.

Javy Cisneros, Director of Utility Support Services, said he is providing a PowerPoint for the 2018 legislative update primarily because our TV audience will be able to view and download this PowerPoint, which will include contact information for our Legislators. He said there were nine major items that affect the utility industry. The four in red were directly related to utilities like FPUA and he will be discussing those in more detail. The Senate Bill (SB) 7008 removes the scheduled repeal of the public records exemption for proprietary confidential business information held by a local government utility. This would continue the public records exemption under current law and he anticipates the bill is being heard in the Senate Rules Committee this week, which is tomorrow. There is still no House companion; however, it is expected to have a hearing in the House. This effectively means anything that is considered a trade secret, under investigation, or an audit is allowed to remain confidential until it has been finalized and presented in final form. That allows FPUA to maintain that exemption, which is pretty important

for doing business and it is reviewed every five years. Contact information for that bill is listed on the slide presented. Mr. Cisneros said HB 1411/Senate Bill (SB) 1038 evaluates the deregulation of electric utilities within the state. He said the bill currently does not have muni as part of the deregulation but this bill is in the infancy stages. FMEA is working and has created a task force committee to evaluate the scope of the bill and how it can potentially affect utilities like FPUA. Paul Jakubczak, our Director of Electric & Gas Systems will be serving on this committee. HB1081/SB1630 effectively adds requirements for municipalities and the Public Service Commission to have a policy in place for medically essential customers. This is not an issue for FPUA because we already have two resolutions that address medically essential customers in place. The contact information for those are listed for the House and the Senate. Mr. Cisneros said HB521/SB574 effective allows utilities like FPUA to perform tree trimming and pruning in established ROWs as it sees fit. He said one of the current issues still in the hopper is related to vegetation management and if the local government agency has a canopy ordinance. If we have a canopy ordinance, can we trim those trees that are on private property that go into the public ROW and there is a canopy ordinance within the local government. More to come from there and this bill did pass the senate on a 3-2 vote. The Senate bill has two remaining committees while the house is in its final committee hearing in the next couple of weeks. There are a couple of other bills and most of these have not found much traction. HB 405/SB494, Linear Facilities focuses on IOUs and how they build lines within future ROWs or ROWs under development. This will go to final vote in the Senate tomorrow. HB225/SB1828, Employment Discrimination is still pending and is related to protecting employees who evacuate under an emergency evacuation order. This bill is related to places like the Florida Keys where they have to evacuate. This bill will not include first responders or critical utility personnel. The next two, SB 1586, Energy Grid and HB 113/SB1888 Energy Grid Security are focused on investor owned utilities to develop a disaster restoration and energy grid improvement plan with a 20-year implementation plan. The Energy Grid Security Bill is looking to create a program that would create grants to offset cost for onsite solar storage systems for certain facilities located within critical zones and more to come from that. The last one is the Post Hurricane session in which Mr. Lee is part of that committee. Effectively what they have concluded from it is that Munis do very well at restoring power and communicating back to the EOC. A big neighboring utility did not send anybody to that session so that gives you an indicator how involved FPUA is and how serious they take it. Mr. Cisneros said that was short and he would be happy to answer any questions.

Mayor Hudson said on the last page, the wrap up, it has House Bill and Senate Bill numbers and then there are numbers underneath it that look like Tallahassee phone numbers.

Mr. Cisneros said that is correct.

Mayor Hudson asked if you have questions about the House Bill you call that number.

Mr. Cisneros said that is correct.

Mayor Hudson asked if this is FMEA staff, Diana Caldwell.

Mr. Cisneros said no, these are all either some kind of Senate Bill coordinator or somebody working with the House Bill and Senate Bill Committees to put the Bill together. Diane is a Staff Director and she is working on the Public Records Exemption because that does not specifically address electric, this is just in general for municipalities or for Government Agencies. Each one of these slides has a House Bill and the number and the contact information for the representative for those bills. The last ones, he did not add names.

Mayor Hudson said that is fine she just wanted to be sure she understood his shorthand. She said she would be interested in the two resolutions for medically necessary customers. Sometime she would be interested in knowing what that covers because she does encounter people who might qualify and might not know it.

Mr. Cisneros said he could follow up with that for sure.

Mr. Tompeck said we did provide some input to Larry Lee a couple of months ago and it was pretty extensive, about 30 pages of an excel spreadsheets with all the recommendations.

Barbara Mika, Finance Controller presented the monthly updates on the Electric Rate Comparison and the local Bill Comparisons for the month of December 2017. She said the first graph displays the comparison of Florida Residential Electric Rates for the month of December for the 33 municipal utilities that operate in the State of Florida. Thirteen of these municipal utilities, including FPUA, are members of the "All-Requirements Project". In this graph the All Requirements Participants are highlighted in red excepting FPUA, which is shown in yellow. As a member of the All-Requirements Power supply project FPUA is afforded lower costs and lower risk working together with this group of municipal utilities. The Florida Municipal Electric Association compiles the billing rates for each month from the utilities around the state. This graph shows all municipal electric bills in the State of Florida for the average residential usage of 1,000kWh. FPUA's December bill for 1,000kWh of consumption at $118.84, which includes the $2.00 reduction in the power cost, has improved our relative position by two since the November comparison. Mrs. Mika said she would also like to note FPUA's probable positon on this graph shown in blue, which takes into account the additional $2.00 per kWh the Board-approved power cost decrease which took effect on February 1, 2018. She said each reduction that FPUA is able to make is directly passed on as a reduction to the customers' bill. A few items on the billing rate changes that have occurred since November is of the 33 municipal utilities, 12 experienced rate changes since November. The rate combined changes for the All Requirements Participants amounted to an increase of just $2.25. These changes increased the average rate slightly for the All Requirements Participants to $117.19 on an average. The December power cost decrease for FPUA has narrowed the gap to within $1.65 of that average. We are still above the ARP average

where the gap is narrowing for FPUA. The December bill for FPUA, at $118.84, is now lower than the average for the Investor Owned Utilities by better than $8.00 for a comparable consumption billing. The next graph displays a similar comparison for usage of 2,500kWh. In this comparison, FPUA's December bill has fallen to $299.80. FPUA has also improved their standing from November by one position to 10th from the right. The combined effect of the increase in the average 2,500kWh bill for the ARP, and combined with the power cost reduction in December for FPUA, has narrowed that gap between FPUA's rate and the ARP average by 35% so we are 35% closer to that average than we were in the former month. FPUA's December bill for 2,500kWh of consumption falls below the comparable Investor Owned Utilities average bill by almost $27.00. Displayed before you is the December comparison of local Treasure Coast residential utility bills. Included in this comparison are the of total utility bills that an average residential customer would have experienced if they resided in the cities of Fort Pierce, Port St. Lucie, Vero Beach, or if they lived in the area serviced by the County Utility services of St. Lucie County or Martin County. The bill totals in this table include all of the taxes and fees that would be applicable in each of these municipalities. Staff has verified the calculation of these averages with actual bills and rate schedules. Mrs. Mika said that since this comparison was last presented, FPUA implemented a $2.00 reduction in the power cost lowering our total monthly electric bill by $2.05. She said the City of Vero Beach's total bill for electric services increased by $7.46 since November. The increase of $6.87 was for power costs with the balance associated with their fees and taxes that are applicable in Vero Beach. On the water and wastewater billings, there were no changes to any of these local billings. Of the three St Lucie County municipalities in this comparison, FPUA's current overall bill for all three services remains the lowest. FPUA's bill for electric services as of December was 5% lower than Vero Beach. This last table has a more detailed comparison of those local residential bills with, a breakdown of the fees for services, taxes and other charges to the customers in these different service territories. This item is for information only and requires no action on your part. If you have any questions she would be happy to address them.

Mayor Hudson asked if she said Vero had increased and it is not shown on the table.

Mrs. Mika said Vero's increase was in their power cost in December, that was November to December, $6.87. She said their total bill went up about $7, but that was with gross receipts and franchise fees.

Mayor Hudson asked if the $133.48 is with the $7 increase for electric.

Mrs. Mika said Vero Beach's actual rate is $122.95, but with those taxes it is $133.48 and she compared that with FPUA's $126.73 and they are 5% over our bill.

Mayor Hudson said that is the 5% and not the bottom line.

Mrs. Mika said just for electric services.

Nina Penick, Director of Financial Services, presented the electronic payment processing for FPUA. She said this is the recommended change to FPUA's credit card processor. We pay an awful lot of money to process credit cards and what you see displayed is just what we pay to process credit cards in the course of the year. Earlier in the year, we had some difficulties with the processor and in speaking with Invoice Cloud, it was brought to our attention they now have a second processor. When FPUA went with them in 2014, we did not have a choice if we wanted to use Invoice Cloud, we had to use Sage. This new processor Paymentech is actually the same processor we used many years ago with the first contract we had for credit card payment processing. Mrs. Penick said she thinks there were two or three changes since then and believes Sage is the fourth one since then. We are going full circle here and are going back to Chase Paymentech. She said they have promised us lower fees and that is our primary motivation to do this because otherwise it is not going to be a fun process with all the changes that have to be made. Worse is all the paperwork you see before you today, a mountain of forms that have to be filled out to preferably get the information right. If someone from the Manatee Gift Shop/Manatee Center, it will say Manatee Center instead of FPUA. That was a big problem we had earlier in the year and have long since corrected. Any time we make a change, there is the risk of a mistake being made. To give the Board an idea as to the number of transactions that Invoice Cloud processes and we run a lot of different things through Invoice Cloud, it is not just our credit cards. Primarily for the month of January, it is credit cards with almost 10,000 transactions and almost 7,000 for electronic checks. We still do the same kind of processing we used to do where we make arrangements directly with the customers where they can pay their bills automatically out of their bank account every month if they choose to do that. If we go through the vast majority, the customer portal is where they have gone in and set up an account and they are making a payment on their account electronically on the website. Autopay is similar to that, but is set up automatically. They are not actually going in to interact, they are just saying go ahead and pay it. IVR is the Integrated Voice Response program we have where somebody makes a phone call to Customer Service and if they go through the proper channels on the phone system, they can make a payment that way. The online bank direct is where the money is deducted directly from their bank accounts and the front line is when someone comes in to the Customer Service lobby and makes a face to face payment. There are a whole bunch of others, but Mrs. Penick said she just wanted to emphasize how many different options our customers have to make payments on their bills and we try to make that as convenient for them as possible. One other item of mention is the Kiosk is up and running and we encourage our customers to come and use it so they do not have to wait in line. Usually there is no line or waiting for the Kiosk and they can even make payments in cash, but it does not give change. For the month of January, FPUA has generated 3,660 paperless/electronic bills for about 2,700 customers. Some customers have more than one bill they pay electronically. In related but separate business, also included in the agenda packet is the paperwork to begin accepting American Express as an option for utility payments. We have not wanted to do that for many years because of the cost of processing American Express. About one year ago, American Express came back to FPUA and

said they have a new program. It looks like when we did the initial estimates that the cost to FPUA would be about in line as what we are currently paying so we are now willing to give that a try. We can never really tell how much any of this is going to cost until we actually do it. If you have ever seen an invoice for a month's worth of credit cards, there is line after line of a couple of cents for this or that, it is very hard to follow. It is so hard to predict how many people are going to pay with what form of payment this month. We are requesting approval of the Utility Merchant Processing Application, MOEC Merchant Processing Application, Owner/Officer Addendum, Payment Processing Instructions and Guidelines, and Annex to Biller Terms and Conditions for American Express Processing, as a single source, with Paymentech, LLC, to process electronic payment transactions, in an amount not to exceed $310,000 annually. Mrs. Penick said that is in excess of what we really expect to use, but if we spent that much, it may not be that bad because the alternative is having people come into the Customer Service lobby. If all they are doing is coming in to make a payment, we would like to streamline the process and it takes less time for them and less time for us and cost as little as possible. We feel these electronic forms of payment are really the better way to go, but the other options are still available.

Mayor Hudson said on the screen it showed the other company was $246,000 and she thought Mrs. Penick said this was going to be a less expensive option if it goes up to $310,000.

Mrs. Penick said it is an amount not to exceed. She said the amount it costs works out to however it works out. We do an analysis each year to see how many transactions and what is the gross amount of that transaction. We look at it on both a per unit basis as well as a percentage basis. We are currently paying a little less than 1% so overall that is not too bad. If you look at it as per transaction, it is $1.85 we are currently paying, but the American Express amount that was $1.35, it is $1.35, plus the interchange. The interchange fees are just a pass through that are not controllable and no matter who you go with, you will pay those interchange fee.

Mayor Hudson said then you really do not know if it is going to be cheaper or more expensive because we have to have experience.

Mrs. Penick said we have been lead to believe, Invoice Cloud has presented to us the number of basic points we are paying is 1% less, but we will see. She said we will come back and let you know because it is a lot of money. Mrs. Penick said it is the biggest line item in Finance's budget.

Mayor Hudson asked if it is expected to cause customers who are using this type of payments now problems.

Mrs. Penick said we expect it to be seamless because we are still dealing with Invoice Cloud. She said the contract we have with Invoice Cloud to do our paperless billing and to be the umbrella for the payment processes is still the same. The agreement we signed in 2014 is still in place, the Biller Terms and Conditions are still the same as they were in 2014. If we did not have any

problems, we would not have known there was another option. She is kind of glad we had some difficulty, she thinks, if it is going to save us some money. It should be invisible to the customers.

Mayor Hudson asked what the difficulties were that caused staff to look into this.

Mrs. Penick said when we went to setup the additional services for the Manatee Center, what showed up on the customer's bill was the wrong name and it had a bogus phone number. It was not even an FPUA phone number and do not know where that phone number came from. We fixed it as quickly as we could, but it required Board signature because the Board had to sign the contract in the first place. That was inconvenient for our customers as well as FPUA.

Mr. Bey asked if Nina mentioned there was never a line at the Kiosk.

Mrs. Penick said she would not say never. She said the line for the regular Customer Service folks, if there is one, is right next to the Kiosk and it may look like there is a line, but there is not. Generally, it does not get very much use, there was 254 transactions for the month of January. We need to try and encourage our customers to use it, but that will take time. If you have been to an airport lately, but they have people that help you do it yourself. Even at McDonalds they want you to use their Kiosk, but it takes some practice for everybody. It is uncomfortable those couple of times and you certainly do not want to mess it up if you are paying a hundred dollar utility bill. Mrs. Penick said she sincerely believes the process to make those payments is fairly simple and obviously the best way is to somehow do it electronically offsite. If someone is in our lobby and they want to make a payment, they can make that payment right then and there at the Kiosk instead of standing in line and waiting for a person if they are willing to try. There has been times when we have assigned a Customer Service Rep to try to help people. It was pretty busy this morning so that would have been a good time to try and encourage people to use the Kiosk.

Mr. Bey said he actually got a call from an associate who was about to stand in line to pay and it was crowded and saw the Kiosk. He went and paid with the Kiosk and he called Mr. Bey to tell him it was great that he did not have to stand in line. When he goes to the airport he is less likely to want to use the Kiosk himself and he thinks it is like human nature for us as age challenged. Maybe if we can have someone in the lobby suggesting rather than standing in line use the Kiosk. At the airport they have someone from the airlines to assist to use the Kiosk and maybe we can introduce it to our customers that way. It may make them more willing to use it, if he may add.

Mrs. Penick said she agrees.

Mr. Tompeck said we do and when a customer comes into the lobby, the first person there will ask you if you would like to learn how to use the Kiosk and she will get up and show you how to use it.

Mr. Perri said it looks like 222,576 transactions if we go by the January numbers so we can say that is an average of how many transactions a year. He asked if each transaction is going to be under $2 hopefully.

Mrs. Penick said perhaps not all because if it is a higher dollar amount and you are paying a $1,000 bill, it is going to cost more than if it is $100 bill. She said on average it should be less $1.85 per transaction for the credit card processing. She thinks all the others are less expensive. The E-check is supposed to be about $1 per transaction and they are all a little bit different and that is why it is a little bit hard to compare A versus B to determine if we are going to pay more or less. She expects it to be very much in line and if it is not, then we will have a bone to pick.

Mr. DeIulio asked if most of the fees are flat rate if you get to where there are a lot more customers.

Mrs. Penick said some are per transaction and some are percentage.

Mr. DeIulio said if more and more customers switched over to electronic payment, it would go down per transaction. He said he reads a little bit of that in the item.

Mrs. Penick said they might. She said we do want to encourage our customers to use the electronic processing. It certainly is less expensive and more efficient to do it electronically if it is possible and it reduces the opportunity for error.

Mr. Perri said he is curious to what the average transaction would be.

Mrs. Penick said she thinks they said the average transaction is $220 and she thinks that is pretty high. She said when you count electric, water, wastewater, sanitation, recycling, and the taxes, it all adds up pretty quickly.

Mayor Hudson asked if Mr. Koblegard has reviewed the contract.

Attorney Koblegard said yes he went over it with Nina.

Mayor Hudson asked if a motion was needed.

Mrs. Penick said it is more like a series of forms to sign, but it is a big deal to make this change so we did not want to treat it like it was little.

Mayor Hudson said she assumes it will be monitored closely.

A motion was made by Mayor Hudson, seconded by Ms. Cavalcanti, and unanimously carried to approve the Utility Merchant Processing Application, MOEC Merchant Processing Application,

Owner/Officer Addendum, Payment Processing Instructions and Guidelines, and Annex to Biller Terms and Conditions for American Express Processing, as a single source, with Paymentech, LLC (Chase), of Dallas, Texas, to process electronic payment transactions, in an amount not to exceed $310,000 annually.

Mrs. Penick presented the Status Report on Electric Power Cost Adjustment (PCA) for January 2018 and updated projections through January 2019. She said the PCA is the mechanism by which FPUA recovers the power costs from our customers that is in excess of the $79.52 base power cost, which is included in the base rate. The cost of power purchased from Florida Municipal Power Agency (FMPA) for the month of January was billed to FPUA at the rate of $82.65 for 1,000kWh, an increase of $13.07 as compared to December. We had an over recovery from the customer for the month of January that totaled $355,743. In the month of January we received a refund from FMPA's Development Fund. They were setting funds aside and determined that the funds needed to be redistributed to the different cities so we received $393,453 and that is why we had the over recovery. January was a bad month, it was cold, and everybody turned their heat on, and it was very expensive power for the month of January and that is not expected to continue. It was a one month blip. The cumulative over recovery was $4.8 million as of January 31, 2018. Mrs. Penick said the chart depicts three PCA options. She said the graph up on the top, each line represents what the over recovery would be if the projections are correct. The projections shown are prepared by Public Resources Management Group (PRMG), which in turn are based on projections prepared by FMPA. Since last months' forecast, FMPA's estimate of the price of purchased power for the upcoming 12 months decreased 0.2%, which is basically flat. No change to the PCA is being recommended at this time and that is the red line on the very top of the graph. There are other option that are shown. There is an option to decrease the PCA in July and that is the green line so we would be basically leaving it alone until July and it would lower the over recovery. Also displayed is a $2 decrease in March, which would be next month. The blue dotted line is the range of the Board recommended over recovery. Staff is recommending no change in the PCA at this time and believe if we wait a couple of months there will be a better and a more positive impact to our customers. If we wait a couple of months when the temperature gets a bit warmer and the utility bill starts going up, we would be able to return some of that money back to our customers more effectively than at this time of the year.

Mr. Tompeck said the FPRA is having a special meeting tonight at 6 and one of the agenda items is the restrictive covenant for the King Plant site. Signature by the Mayor of this document will allow the FDEP to issue the Site Rehabilitation Completion Order (SRCO) with conditions. We are hoping the Mayor will sign that tonight.

Mayor Hudson said Mrs. Cox will be sure she does.

Mr. Tompeck said there is nothing unexpected in the covenant, it does not allow the use of groundwater or drilling for water on one portion of the site, which happens to be the northeast corner of the main property. Once the covenant is signed, the SRCO will follow from FDEP and then we can go ahead and prepare the paperwork for the completion bonus and really call this complete.

Mr. Tompeck said that earlier in the meeting the Board approved the MOU with the City regarding City owned and FPUA owned property. In regards to the King Plant site, FPUA owns three small parcels west of 2nd Street. Those parcels have been included in the City's request for proposal for developing the King Plant property. These properties have little value to FPUA, so he is proposing FPUA deed these properties over to the City for cost of processing only. If the Board agrees with that concept, Mr. Koblegard will initiate the paperwork and it will be brought back to the Board for approval.

Mr. Tompeck said he is planning on sending out by the end of the week, a list of key result areas of strategic planning for the Board's information. He requested the Board review them and identify any additional areas you would like to see discussed at the Strategic Planning session. The key result areas are the broad, long term aims that define the accomplishment of our mission. They are the overall policy issues the Board should be directing staff to proceed on. Once we have the key result areas identified, we can go back and start developing the goals and get ready for the Strategic Planning session.

Mr. Tompeck said a quick update on the Vero Beach sale, as of today 18 of the 19 ARP Members have approved the sale documents. Fort Meade is scheduled to vote next Monday. There is a possibility the FMPA Board will vote on the sale in March.

Mr. Tompeck said Mayor Hudson requested a couple of weeks ago for staff to put something together on net metering and an updated presentation will be at the next Board Meeting.

Mr. Tompeck said that is all he has and would be interested the Board's feedback about the parcel at the King Plant site, what you would like to do. He said you can give it to him now or at your pleasure.

Mayor Hudson said she thinks it would be a great gesture and if unnecessary to us it would be a very positive thing for us to do.

Mr. Bey said he agrees.

Mr. DeIulio said if the Mayor needs the land and wants the land.

Mayor Hudson said she wants that land and said thank you.

Attorney Koblegard said he thinks that is a good thing too, but he thinks it should be conditioned upon the City approving the Memorandum of Understanding we have been trying to get processed for a couple of years. He said also, we have presented the City with easements on the King Plant site the Utility Authority needs and a Special Warranty Deed for the parcels on the north side of Moore's Creek. It would be nice to tie all of that together to where the City is going to do what FPUA is asking and we are donating property to the City.

Mayor Hudson said yes that is fine. She said she asked about those easements the other day and believes they are scheduled.

Attorney Koblegard said Messer did tell him he was okay with them now and they were going to go ahead and present them to the Mayor for signature.

Mayor Hudson said yes, he told her the same thing, so far, so good. Mayor Hudson asked if Mr. Tompeck needed a vote.

Mr. Tompeck said no he does not need a vote on that. He said Attorney Koblegard can go ahead and prepare it and the Board can vote on it when it is brought back to the Board.

Mayor Hudson said the meeting on February 27 is the Charter Review Committee Commission and there is the time for public comment. She said there is a draft final report that Mr. Tompeck sent to the Board Members.

Mr. Tompeck said he did send it.

Mayor Hudson said she thinks everybody should take a look at that and try to be at the meeting if you can. She plans to be there February 27.

Mr. Tompeck said it is at 6:00 p.m. and is a public meeting. He said as he has mentioned, the final report does not mention any changes to the Charter.

Mayor Hudson said right.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN