MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, MARCH 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.; Deputy Secretary Glynda Cavalcanti; Mayor Linda Hudson; and Nick Mimms, 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 Jason Mittler of Electric & Gas Engineering.

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 Mayor Hudson, seconded by Mr. Bey, and unanimously carried to approve the Minutes of the Regular Meeting of February 20, 2018

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

1. ITB No. 17-75: Approve Amendment No. 1 to the Water Treatment Plant (WTP) Storm Hardening Services Contract with A. Thomas Const. Inc., of Fort Pierce, Florida, to increase the not-to-exceed Contract amount from $120,000 to $143,500 and to extend the Contract end date from March 31, 2018 to September 12, 2018.

Larry Lammers, Electric & Gas Engineering Supervising Engineer, presented an update on FPUA's Net Metering Program. He said there is a lot of information on these slides and he is going to be glossing over a lot of it. There are slide numbers in the right hand corner of the slides, so if you have any questions on the presentation, just let him know what slide number you are referencing and he will go back to it. The Florida Statutes define Net Metering as a metering and billing methodology whereby customer-owned renewable generation is allowed to offset the

customer's electric consumption on site. The main thing to take away from this definition is the fact the idea from the Florida Statute is the customer-owned generation should really be sized to meet that customer's needs. At no point should they really end up becoming a bulk power provider to the grid. We as a municipal utility are required to net meter and that Rule went into effect on July 1, 2009. It is mandatory, it is not optional. FPUA does not have all the same stringent requirements the investor-owned utilities have for net metering. Nevertheless, we are required to have a program in place. When we talk about net metering, by far and away, the most common customer generation is solar systems. Of all the systems FPUA has connected to its grid, they are all solar systems and the diagram displayed shows the different components associated with a solar system that is interconnected to a utility. The utility is required to install a net meter that measures the amount of power that goes out onto the grid and the amount of power the customer uses from the utility.

Mayor Hudson asked why it is different for investor-owned and public companies.

Mr. Lammers said he does not know the intent the Public Service Commission (PSC) had for making those requirements different. He said he could speculate if the Mayor wanted him to.

Mayor Hudson said for him to speculate, please.

Mr. Lammers said he would speculate they would guess the investor-owned utilities would not have their customer's best interest at heart. He said they would have their utility's bottom line is the only thing they are thinking about.

Mayor Hudson said because it is a profit making company.

Mr. Lammers said the next slide was put in there to highlight the customer is putting energy onto the utility grid or they are receiving energy from the utility grid. He said in both scenarios, they are using facilities that are provided, installed, maintained, and operated by the Utility. The way FPUA's net metering system works, is if a customer produces energy and consumes it within their facility, they are not going to be charged anything. Any excess power they put on FPUA's system will be credited to the customer at FMPA's avoided costs. Currently that voided costs is $0.2477 per kWh and that is in contrast to the full retail rate we charge residential customer, which is $0.10822 per kWh. The FMPA avoided costs are calculated using fuel costs associated with generation and variable maintenance costs. What is not included is debt, transmission cost, and fixed administrative and general costs. As an All Requirements Project (ARP) participant, FPUA does have certain guidelines we have to adhere to for our Net Metering Program. One of them is the total aggregate customer-owned generation that is interconnected to our system cannot exceed 2.5% of our peak. FPUA's peak is around 110MW and 2.5% of that is about 2,750kW so at no point, if we aggregate all of the customer-owned generation together can their potential generation exceed that amount. Mr. Lammers said FPUA does have a limit on individual system size and it is broken down into tiers. He said the largest customer-owned generation facility FPUA

would allow to connect with our system is 2MW and that would be at the top end of what we would even consider interconnecting to our system. As a reference, the Lawnwood Hospital's main service is around 2MW at their peak load. Also, one of the requirements that is put upon FPUA by the ARP is a customer has to have customer-owned generation that is sized to meet their needs and it should not exceed that. FPUA's program requires every net metering customer sign two agreements. One is the Standard Interconnection Agreement for customer-owned renewable generation, which is a typical agreement and all utilities have it. Most of the verbiage in this agreement is pulled from the PSC rules they have in place. The other agreement FPUA requires the net metering customer to sign is the Tri-Party Net Metering Power Purchase Agreement. Because FPUA is an ARP member with FMPA, we are required to purchase all of our power from them. This agreement involves FMPA, so technically the customer is so empowered to FMPA and FMPA gives FPUA credit and we give credit to the customer. The next slide summarizes what our different sister utilities, all ARP members, do. On the left hand side, there are nine utilities who do net metering in a similar way FPUA does. On the side that says other, there are four different utilities that do things a little bit different. Mr. Lammers said the two he would like to highlight are Fort Mead and Jacksonville Beach because they do things exactly the way the investor-owned utilities do them. They credit their net metering customer at the full retail rate and at the end of the year, if there are any credits left that need to be given to the customer, they cut the customer a check at the avoided cost rate. For an example, if he is a net metering customer on one of these utilities and during the month of February he put 400kW onto the system, but he used 500kW hours from the utility, his bill would be 500kW minus 400kW, which would be 100kW and would get charged for that at the retail rate. If it happened in reverse and he actually ended up putting more energy onto the system than required from the system, like if he required 400 and put 500 onto the system, that excess 100kW hours would roll over to the next month and would keep happening until the end of the year. At the end of the year, if there was still energy left he should be credited for that he put onto the system and was not used, then that utility would cut him a check for that amount of kilowatt hours times the avoided cost rate. The full retail rate is really only happening when it is offsetting his bill. Once it is time for those utilities to cut the customer a check at the end of the year to zero out the account at the end of the year, those kilowatt hours are treated at the avoided cost rate.

Mr. Bey asked if there are any advantages or disadvantages to this method.

Mr. Lammers said the method the IOUs use and a couple of our sister utilities use, is more lucrative for the net metering customer. He said under our current rate structure and system, what would happen instead of the kilowatt hours they put on our system being directly deducted from the kilowatt hours that they use, the kilowatt hours they used gets charged at the full retail rate, then the kilowatt hours they put onto our system gets credited at the avoided cost rate and then the cost gets subtracted from each other. Instead of getting credited for the full retail rate, they are getting credited for the avoided cost rate. The way the IOUs are forced to do it is much more cost beneficial to the net metering customer.

Mr. DeIulio asked if that means it is not beneficial to the other customers.

Mr. Lammers said that is true.

Mr. Bey said being a public utility is that something we might want to consider or approach.

Mr. Lammers said it really would depend on if the Board desires to incentivize net metering. He said if the Board decides they want to incentivize customers who are going to have customer-owned generation, then that could definitely be a consideration. That means the cost at the facilities like he talked about in the previous slide, those net metering customers will be using facilities that our other customers use and the cost of those facilities have to get paid for by someone. If a net metering customer has net zero energy on their property and we credit them at full retail rate, then they could essentially have a low or no bill. They are still using facilities that their neighbors are using as well.

Mr. Bey said that means it is putting an unfair burden on the other payers.

Mr. Lammers said that is his opinion.

Mayor Hudson said when this Board decided for this policy, she asked if that is the reason why they chose this policy. She said this policy happened when she was not on the Board.

Mr. Tompeck said his recollection is this originally came out of the PURPA Standards and based on them, they made some recommendations on what we should do here. He said they recommended we do the avoided rate and since the PSC had no contrary instructions in the regulations, FPUA decided to go that way. One of the other things we have looked at and at some other utilities around the country, some of them for their net metering customers will actually put in some kind of surcharge that handles the T&D component which they wouldn't if they were using their own net metering.

Mr. Perri asked if we are kind of tied to FMPA with this project. He asked if we have to have some blessing from them before we change from what we have and isn't it what they demand.

Mr. Lammers said in some ways yes and back on slide eight, FPUA does have certain guidelines we have to follow being part of the ARP. He said just like some of the other ARP members, if the Board decided they wanted to incentivize net metering, FMPA would not have anything to say about that, he would think. It really does not affect them, it is something we would have to budget for.

Mayor Hudson said the cost would be borne by this company and not FMPA is what Mr. Lammers is saying. She said the cost would be borne by other rate payers.

Mr. Lammers said that is right.

Mr. Bey said when they throw in the additional T&D charges, does that tend to compensate for what the other payers are paying.

Mr. Lammers said that is the idea behind it. He said if you have a surcharge for a net metering customer, the idea is we would calculate a surcharge for that net metering customer to account for the facilities they use and the operational maintenance associated with those facilities. That would be something Finance would have to calculate and make sure the surcharge was sufficient to cover the costs.

Attorney Koblegard said to offset a $300 bill, and asked if it would take a pretty large solar array in your yard to do that.

Mr. Lammers said the short answer is yes he thinks so. He said what they have noticed as more and more net metering customers are coming on board especially for residents, which is what a large majority of FPUA's customers are, their solar systems are getting larger and larger. The last three or four FPUA has seen are all at the max capacity they can be for a Tier One customer, which is 10kw. When FPUA is doing an analysis for a neighborhood to figure out the sizing of wires and transformers for the typical home size, we usually estimate their demand to be around 8kw. The typical net metering customer has a larger home and they can afford to install these types of systems and a 10kw would just about complete the offsets of their energy needs when the sun is bright and shining.

Attorney Koblegard asked if they could put that much on the roof depending on the size of the house.

Mr. Lammers said that is exactly right. He said on slide 11, it shows what some of the other utilities do that are non ARP utilities. We discussed the IOUs net metering structure a lot. Cooperatives are all over the place on what they do, Gainesville and OUC both do their net metering the same as an IOU, and Tallahassee is very similar to the Investor-Owned with a couple of little nuances. Lakeland and JEA are complicated because they are in the process of changing how they want to do it. They started out in a similar position as wanting to do net metering like IOUs and realizing what you incentivize, people tend to do so it is starting to cost them. Mr. Lammers said he thinks they are looking to change it a little bit to change and real in some of those costs.

Mayor Hudson said they are suffering from their success.

Mr. Lammers said the next slide points out why IOUs do what they do and said the Florida Administrative Code forces them to do net metering in the manner they do it. He said if IOUs had it their way, he is fairly certain they would not do net metering the way they are currently

doing. The reason he says that is because of the Proposed Solar Amendment that was on the 2016 ballot. It was heavily funded and supported by Investor-Owned utilities. Mr. Lammers said he would like to highlight the last blurb on the bottom of the slide "to ensure that consumers who do not choose to install solar are not required to subsidize the costs of backup power and electric grid access to those who do" and that statement summarized what we have been talking about. He said if you have a net metering customer who is not paying for infrastructure they are using, then their neighbor has to. The current state of our net metering customers as we have 14 of them, of the total gross power rating for all the customer-owned generation that is interconnected with FPUA is 46.98kW. That is about 2% of what FPUA is allowed to have interconnect with the Fort Pierce Utility System according to our ARP requirements. The bottom of the slide shows what FPUA has paid since the inception of our net metering program. It says we have paid $2,700 and really it would have been more accurate to say we have credited that amount to the net metering customers between the inception of the program and January 31, 2018. The calendar year 2017, FPUA paid $759 to the customer and it would be more accurate to say we credited them. If FPUA was crediting with full retail, that payment would have been $4,065. Mr. Lammers said what you incentivize, people tend to do. Right now we have 14 interconnected customer-owned generating customers and he would guess if we incentivize by reimbursing the full retail rate that would grow dramatically and very quickly. We have had inquiries from much larger systems and his guess would be if we decided to incentivize customer-owned generation we would have some really large customers come on line really quickly that would eat up the rest of our capacity we have to allow for customer-owned generation interconnection. In 2017, if FPUA had reimbursed at full retail rate, we would have needed to collect $3,396 from other customers to pay for facilities that net metering customers were not really paying for. When we extrapolate that all the way out to what we are allowed to have interconnected to our system, the whole 2.75MW worth of customer-owned generation was interconnected to our system, then that number would rise to approximately $165,000. That would be forced to be subsidized by the customers that did not have net metering in place. Mr. Lammers said this is an information only item and would be happy to answer any questions.

Mayor Hudson said when you say the credit that goes to the customer she asked if that credit is paid for by the other customers.

Mr. Lammers asked if the Mayor was talking about full retail credit.

Mayor Hudson said she is talking about what FPUA does.

Mr. Lammers said what they are credited, that credit is calculated based on the cost FPUA actually avoids because they generated their own power. He said the credit they are currently getting is what he believes is due to them, they have actually earned because they stopped FPUA from having to import power from some other area.

Mayor Hudson said they are getting a benefit from their investment, but it is not the benefit they would get if they got the full retail.

Mr. Lammers said that is correct.

Mayor Hudson said that is because they have to use our system at some time or another so they have to pay for those cost when they use our system. She said there is an incentive to have solar, it is just not as big an incentive as the retail.

Mr. Lammers said that is a good way to say it.

Mr. Perri said right now the way FPUA is, other customers are not paying anything for the people that have solar. He said if we change the way we are doing business and we get more than the avoided cost or we pay more than the avoided cost, then other customers are going to have to pay for something they are not getting an advantage of and we do not feel that is right and FMPA does not feel that is right.

Mayor Hudson said we do have somebody in the community who is very unhappy with this particular policy and she thought it would be important to hear the whole thing discussed out so we know exactly why we have this policy. It is because we want to protect our other ratepayers. We have nothing against solar or somebody having their own solar system, it has to be fair to everybody who is a part of the system.

Mr. Bey asked how we incentivize people. He said best case scenario if half of our ratepayers decided to go solar, would that change the paradigm of how we would deal with this. Wouldn't we have to look at ways of adding a surcharge to help cover that cost that the rest of the users would be paying?

Mr. Lammers said he has two answers to that question, one is we are protected against that because of the guidelines of FPUA being an ARP member. He said to address the question, he thinks what he has been hearing through trade magazines is that is the prediction of most people inside this industry. At some point the majority of your customers will have onsite generation and you will not be able to charge customers the same way you have been according to their usage. It will be mostly ready to serve charge, we are available for you to use when you need us and that is where the charge is going to come from. It is going to be a charge based on how much FPUA predicts how much you might need and not how much you have actually used. That is predicted to happen at some time far in the future, but the way technology has been accelerating, he would guess it may happen sooner than later.

Mr. Perri asked if the customers we have now on solar signed an agreement for exactly what they are getting.

Mr. Lammers said they did.

Mr. Perri said it is not like they did not know what was going on when they signed, they knew the distribution of the power and the money.

Mr. Lammers said that is correct and it should not have been a surprise. He said the one caveat to that statement he just made is a lot of times you will have different contractors looking to install solar systems at a residence house. When they are calculating their economic advantage they either do not know FPUA's policies or they misrepresent them.

Mr. Perri said they did sign documentation from FPUA and FMPA.

Mr. Lammers said that is correct.

Ms. Cavalcanti said if a person installs solar in their home, she asked how quickly their bill will get credits for the amount of usage they are contributing. She said in other words if they are not using anything how does that work on their bill.

Mr. Lammers said when a person gets a solar system installed at their residence, FPUA staff goes out and inspects it to be sure they have everything needed on our end. He said as soon as it is confirmed they do, FPUA will install the bi-directional meter and then let Customer Service know. They will immediately start registering that customer as a net metering customer. Any credits that meter identifies from energy they are putting on FPUA's system, they start getting it as soon as that meter is installed.

Mayor Hudson said in summary, what FPUA is doing is fair to all ratepayers and is the way she thinks she is hearing what Mr. Lammers is saying and what we are all saying as a Board. She said right now what we are doing is fair to our other ratepayers as well as the solar customers.

Mr. Lammers said that is correct.

Javy Cisneros, Director of Utility Support Services, gave an update presentation on FPUA's Medically Essential Utility Service Resolutions. He said this presentation is a follow-up to the Legislative Rally update presented at the last Board meeting and at the request of Mayor Hudson to provide more information related to the FPUA resolutions for medically essential customers. As you may recall, these bills, if approved, will add Munis and Co-ops under the purview of the Public Service Commission (PSC) for medically essential customers and how they are handled in the event their service is disconnected. This bill will change very little for FPUA because we already have a policy in place for customers with life sustaining medical equipment and another policy in place for notifying those customers should their accounts fall in arears. The next few slides will review those resolutions. The point of contact information for these bills are shown

below for both the Senate and House should the audience or the Board like to get more information, they can call those individuals. The first FPUA resolution we will review is 2009-13 and the actual verbiage can be found on page 4, item 7. Our policy requires the customer's physician to sign our form identifying the customer has electric powered or water dependent medical equipment required to sustain life or avoid serious medical complications. Next is a walk-through of some of the steps the customer has to do. A physician will be required to sign the form we provide to the customer. Once FPUA receives the form and added the designation to the customer account, we will send a letter to the customer that provides an overview of a few important items. First, we notify the customer their account, in fact, has been designated as a medical seal account. The letter discusses the possibility of service interruptions especially during a storm event, and discusses how we handle notifying the customer if their account becomes past due, which requires notification via a certified letter and the associated $5 processing fee. The letter also provides the customer with contact information for special need services within the county. Another service FPUA provides is to call our medical seal customers before a large storm such as a hurricane to inform them their service may be impacted and they may need to seek a shelter with special need services. The Fenn Center is a special needs shelter for the City of Fort Pierce. Mr. Cisneros said the customer is required to renew their medical designation each and every year. He said as of yesterday, we have 63 medical seal accounts. We also add a special seal on the meter to alert our staff that it is a medical seal account to avoid any mishaps with that meter. The second FPUA resolution that we will review is 2013-11. The actual verbiage can be found on page 5, item 5. This is FPUA's policy on how we handle notifying our medically essential customers when their account is past due. The policy also identifies the $5 charge for processing the certified letter. The certified letter provides the customer with critical information, the amount due, and the due date required for payment to avoid interruption of service. We also provide our contact information for the customer should they need to make payment arrangements to avoid interruption of service. Another notice FPUA provides to the customer is we leave a door hanger the day before their service is scheduled to be disconnected as an additional means to give the customer notice. This is an information only item and he would be happy to answer any questions.

Mayor Hudson thanked Mr. Cisneros and said this was very helpful to her.

Mr. Mimms said FPUA has a data base or inventory of roughly 63 customers that are considered in need of assistance. He asked if this information is shared with our partners of the Emergency Operation Center.

Mr. Cisneros said he does not know the answer to that, but he will follow up. He does not think so.

Mr. Mimms said it would be a good idea if that information was shared in case of an emergency when we go out to check on those in need of assistance we can check on these individuals first along with our hospitals and senior centers and things such as that.

Mr. Cisneros said he will follow up with Mr. Mimms.

Mr. Tompeck the next item on the agenda is strategic planning and said Staff has been working on this item for a while now and he wanted to give the Board an update. He said first, a couple of words on the actual process. Our strategic planning will consist of primarily four steps: Step 1 is the Development of Key Result Areas (KRA). These are the broad, long term aims that define accomplishment of our mission. Step 2 are goals and are specific, quantifiable, realistic targets that measure the accomplishment of key result areas over a specified period of time. Step 3 are strategies and broad activities required to achieve a goal. Step 4 is the action plans, which specific steps are taken to implement a strategy. Mr. Tompeck said in general, the expectation is the Board will set policy and Staff will implement that policy. He said in this case that would mean the Board would establish the key result areas and identify the goals. Staff would then generate the strategy and action plans to meet the Board's vision. The attachment to the agenda item takes a first crack in helping the Board identify the key result areas. They are in no specific order: Reliability, Competitive Rates, Building the Utility/Building the City, Employee Development and Satisfaction, FPUA Image and Customer Service. These six key result areas represent a lot of detailed issues, as you can see when you look at the goals associated with each of them. He would like to get the Board's thoughts on the KRAs and if you think there are other areas you would like to see us address. He would also like the Board's input on the goals. Staff is currently developing the presentations associated with each of the KRAs in preparation for the strategic planning session. The session will take place in late April, after tax season is over. It's important we hold this session soon so that we can integrate the results of the planning into our budget preparation. With that said, he would like to open the floor for your comments and input.

Mayor Hudson asked if these were established by the Board in its previous session.

Mr. Tompeck said they have not been established and said he took the first crack at it to help the Board, it was him and his staff.

Mayor Hudson said she remembers some strategic planning process somewhere.

Mr. DeIulio said probably about six years ago.

Mayor Hudson said she kind of remembers and just wanted to know if this is what we did before.

Mr. Tompeck said we looked at it fresh. He said last time we had strategic planning everything was kind of different, the economy was different and we were really struggling with our rates. We primarily spent our time on cost cutting and how we could reduce our rates, but we are in a little different environment now.

Ms. Cavalcanti said he has done a fine job.

Mr. Tompeck said one of the things we still need to work on and said he just mentioned is making the goals specific. He said when you look at our goals here, they are not exactly specific and we are going to work on making them more specific. We will work on the presentations and get them ready for the strategic planning session. Mark McCain from FMPA will be our moderator and we will try to set it up for some time after April 15. It will be a whole day, from 8 to 4. He said he will give the Board notice and give them some dates that are good for them.

Mr. DeIulio said he was the moderator we had last time.

Mr. Tompeck said he was the moderator the last time.

Mayor Hudson said the City has just been through this process as you know and thinks it would be helpful to have the City's priorities that we have already identified because one of them is moving the wastewater treatment plant or making some sort of progress on that. Another one is better relationship or identifying the relationship between FPUA and the City. One of the first ones is annexation, which is critical and an integral part of what FPUA and its relationship with the City. The top priorities for the City are annexation, port development, storm water management utility, dumpster solutions downtown, street resurfacing, seaplane base and service, FPUA/City strategy key issues and direction, and Sunrise Theater comprehensive evaluation report and direction. Mayor Hudson said those were top priorities and they have some high priorities. She said they may be helpful.

Mr. DeIulio said to integrate.

Mayor Hudson said to integrate and be mindful of.

Mr. Tompeck said that is where FPUA is headed when we look at the Building the City/Building the Utility Key Result area. He said he attended the strategic planning last Thursday and the one a few weeks before he was out of town, but Bo Hutchinson attended it. We are familiar with that and are also familiar and one of the things we are doing and was a recommendation of the Charter Review Committee which was a joint planning meeting. FPUA has had those in the past, but are going to have one in the near future. Staff is in the process of working with Mr. Mimms to set that up. We understand and want to dovetail the City's priorities into FPUA's priorities.

Mayor Hudson said her memory is we have always invited the City to our Strategic Planning and our Budget workshop. She said the extent they have taken advantage of it, they have been privy and have been able to be a part of it. They cannot know it if they are not a part of it and that may be what is behind the requirement of the joint meeting. It is not just an invitation to come to a meeting of FPUA, but the Commission and Board both have a meeting together. Mayor Hudson asked if there is any ranking in terms of the KRAs.

Mr. Tompeck said the ranking will be done at the strategic planning.

Mayor Hudson said then these are not in any order.

Mr. Tompeck said they are not in any order.

Mayor Hudson said you could put Building the Utility/Building the City first, if we wanted to.

Mr. Mimms said to add to what the Mayor was saying, the City went through a rigorous three day process to include all of our management and our City Commission as well. He said Mr. Tompeck you were in attendance and also Mr. Hutchinson. He said Bo did not say too much when he was there, but he did attend. Mr. Mimms said he does want to say is we have agreed to tentatively as a City Commissioner and as a City is to work closely with this Board. He believes it is in our best interest to move forward with an annual meeting of the two Boards that have a workshop type of environment. Hopefully we can achieve that in January of every year and as we move forward with our annual action agenda or annual action strategy. We can now work together and determine how we will attack the upcoming year, what type of capital improvements that we have, and also what types of challenges we have in our community. He wanted to make sure the Board knew that and also he will be reaching out to Mr. Tompeck to hopefully schedule a meeting in early April with the two Boards to have this workshop. Mr. Mimms said he knows we are starting late this year, but he does not think it is ever too late to intensify our communication.

Mr. Tompeck said actually he thinks that is good timing because you talk about January, but you are 1/3 through the fiscal year and there is not much you can do to affect the budget the rest of the year. He said if you do it in April that is right in the middle of our budget cycle for preparing the budget. He thinks April is actually better.

Mr. Bey asked Mr. Tompeck if he was looking for some comment or ideas that were spurred as a result of this outline you have given the Board tonight.

Mr. Tompeck said that would be great. He said if you do not have comments today, it does not mean you cannot give me comments tomorrow or whenever you are moved. He said primarily he is interested in key result areas you may want to add. We only have six here and six is a good number to handle during a planning session, but if there are any major key result areas you think we may have missed, he sure would like to add that and start working on it.

Mr. Bey said for the sake of having an expeditious meeting, he will send Mr. Tompeck a memo with his ideas and suggestions.

Mr. Mimms said good job Mr. Bey.

Mayor Hudson said she is reading it quickly and asked if there is anything in here where there is an education component for the customer.

Mr. Tompeck said he thinks that is under KRA 6 where we talk about improving the customer contact experience whether it is some kind of training associated with that or doing better at answering the phones, we can certainly include the details you are asking for.

Mayor Hudson said she thinks when you have done the weatherization, you have really been able to educate the customer in the process of that. She thinks the terms of it is not spelled out here, but it is implied that all this contact with the customer is really trying to help them understand what makes their utility bill what it is and how to reduce it. She adds that as a possible perhaps mentioning it under goal 6 and it probably is in several different areas.

Mr. DeIulio said it is in KRA 5.

Mayor Hudson said yes it is kind of in 5. She said on the fiber optic that she does not know much about so she is talking about something she does not know anything about. She said last night when they were talking about the cell tower, we had an application for the cell tower on Orange Avenue and 20th Street. It was turned down mostly because of the location, but one of the things that was discussed by the owner of the company was putting up the cell tower, the city that has a lot of fiber optic opportunities is going to be the city in the future that is going to be able to adapt to the changing technology means. Mayor Hudson said now you know as much as she knows about it and wonders if the Board might have a little education on what we are doing now in terms of the fiber optic and what we can do in the future that might grow customers or help the City.

Mr. Tompeck said that is one of the items under KRA 3 and we think there is some real potential for FPUAnet expansion and we are going to be talking about that during the planning session.

Mayor Hudson said that is good.

Mr. Bey said what he will say to Mr. Tompeck is that he is particularly interested in the goal of KRA 5 to increase WEOP outreach. He would really like to see FPUA establish some financial goals on how we can grow this particular item. Maybe we can set a goal of how much money we want to put in to increase that amount every year up to a certain year to increase what we can do for this program.

Mr. Tompeck said he would be glad to do that and hope Mr. Mimms might want to contribute a little bit more to that as well.

Mr. Bey said of course.

Mr. Tompeck said he might want to take a shot at it anyway.

Mr. DeIulio said he would think that any of the goals we are setting here that we are going to have some numbers quantify the cost to implement them.

Mr. Tompeck said yes.

Mayor Hudson said she thinks it is a really good start. She said we will have to see what happens to the tree trimming bill. She said the Legislature will adjourn this weekend so we will find out.

Mr. Tompeck said the Charter Review Commission (CRC) held their final meeting on February 27th. He said they made some minor language changes to their recommendations in the final report and solicited public comments and there were none. The key recommendations in the final report are that City/FPUA meet in a mandatory joint planning session to review and discuss potential joint participation in projects, something we just discussed a few minutes ago. The City Commission and FPUA should work together to establish a formal dispute resolution process. Mr. Koblegard and Mr. Messer will tackle this item after the City Commission has accepted the CRC recommendations. The last item that was there is a policy change on selection of Board members that would ensure at least one Board member representative from both districts. The wording there got a little confusing and convoluted, but that is essentially what it said.

Mr. Bey asked Mr. Tompeck to repeat what he said.

Mr. Tompeck said a policy change on selection of Board members that would ensure at least one Board member representative from both districts. He said there will always be a representative from District 1 and District 2 and any other combination.

Mayor Hudson said there would be two others from anywhere in the City.

Mr. Tompeck said yes.

Attorney Koblegard said at large.

Mayor Hudson said yes.

Mr. Tompeck said the proposed recommendations of the CRC will not require amendments to the Charter and the CRC will present their formal report to the City Commission on March 19th.

Mr. Tompeck said FPUA received the final executed consent order from DEP on February 14th. He said the consent order requires FPUA pay the DEP $10,500 in civil penalties and costs for

violations associated with wastewater releases into the Indian River Lagoon during hurricane IRMA and on October 2nd. We are required to comply with the corrective action in the consent order, which we developed, to provide backup power to the deep injection well pumps during times of power outage. In lieu of the $10,500 cash payment, FPUA has elected to pursue an in-kind project, they give that option. An in-kind project must be worth 1 and 1/2 times the civil penalty or in our case, $15,000. Bo Hutchinson will make an informational presentation on this item at the next Board meeting outlining the steps and dates required to comply with the consent order.

Mr. Tompeck said he will be attending the City Commission Conference Agenda meeting on March 12th to go over a couple of items: the Special Warranty Deed and easements on the King plant property. The Special Warranty Deed has to do with the property that Lift Station A and the building next to Lift Station A are on and the easements are on the east and south side of the property. He will also be talking about the MOU approved by our Board on February 20th on easements and disposition of FPUA-owned property. He is going to mention the disposition of King Plant property owned by FPUA. At the February 20th meeting, he suggested FPUA give the City the King Plant site parcels we own west of 2nd street. The Board informally agreed with that suggestion and said Mr. Koblegard would prepare the appropriate documents. It turns out, that since the property was turned over to the FPRA in October of 2009 for cleanup purposes no additional paperwork is needed. Mr. Tompeck said he thinks it would be a good idea for the Board to make and approve a motion to document our decision on disposition of this property. We did not formally make a motion or approval at the last meeting because he had said he would bring the paper work back. It would be a good idea if we went ahead and did that. Just for the Board's information that property was bought in 1991 for approximately $137,000.

Mayor Hudson asked if the Board at the time when FPRA took it over, was there an official action.

Mr. Tompeck said there was a resolution October 7, 2009. He said he does not remember the resolution number, but remembers the date.

Mayor Hudson said then you want this even though that is kind of already been taken care of, you want an additional motion.

Mr. Tompeck said he wants to make sure the Board agrees we should give them the property because we do not have anything on the record other than some informal comments the Board gave me at the last meeting to go ahead.

Mayor Hudson said we have the original resolution or am I missing something.

Ms. Cavalcanti said it was not for that property.

Mr. Tompeck said this is for the property that is west of 2nd Street.

Mayor Hudson said then she is missing something, she got it.

Mr. Bey said he is talking about the King Plant site.

A motion was made by Mayor Hudson, seconded by Mr. Perri, and unanimously carried to approve giving the City the two parcels FPUA owns west of 2nd Street.

Mr. Tompeck said he had one last item and that is our employee appreciation picnic is on this coming Sunday at JC Park between 12 and 4 and hopes to see you there.

Mayor Hudson asked what the weather was going to be like.

Mr. Tompeck said right now it does not look good, but it is kind of early to tell.

Mr. Bey said he would like to give a little report about the Legislative Rally he attending on February 26. He said Mr. Perri and he attended the rally representing Fort Pierce, which was held in Washington DC from February 26 until March 1. The reason they participated in the event was to meet and network with our peers in the industry, but more importantly to meet with Congressmen and Senators in our respective districts to discuss the issues that impact our various communities. The issues this year are infrastructure, municipal bonds a most effective tool to finance infrastructure, advance refunding, reinstate advance refunding for state and local entities, hurricane response, public power prepared and responded quickly, pole attachments, preserve the municipal exemption from federal regulations. Mr. Bey said the Legislators they met with were Senator Marco Rubio, his staff as opposed to Mr. Rubio, Congressman Brian Mast with his staff, and Senator Bill Nelson met them in person, which he usually does. He said all of the Legislators or their staff were cordial and listened to their issues and agreed to assist any way they could. That is the Legislative Rally report.

Mayor Hudson thanked him for going.

Mr. Bey thanked the Board for sending him.

Mr. Perri said he attended the Policy Makers Council Meeting at this particular rally and said there are 40 regular members of the Policy Makers Council in the country. He said four from each of the ten regions. Florida is in region 5 with Delaware, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia. Rebecca Blount, the commissioner from Greenville Utilities in North Carolina is a member, Jose Alvarez of Kissimmee, Florida is a member, Peter Batty, Chairman of the Utility Board of Key West is a member, and Mike Perri is a member. During that meeting there were discussions on how we would proceed to talk to our representative, as

Mr. Bey pointed out. The next day Mr. Perri attended the Legislative and Resolution Committee Meeting and they enacted seven resolutions that encompass all those items that Mr. Bey brought up so he will not repeat them.

Mr. DeIulio said he has one question in regard to the Strategic Planning session coming up. He said in order to try and coordinate all our strategic plan with the City, he asked if the results of the City's Strategic Plan are available.

Mr. Mimms said not as of yet, but they plan to present them to our City Commission at our Conference Agenda in April, which will be April 9.

Mr. DeIulio said then we would have about three weeks to look at that before we meet. He asked how he could get a copy of that.

Mr. Mimms said he would be happy to send it to Mr. Tompeck for his distribution.

Mr. Tompeck said while the plan may not be complete, we have a pretty good idea of what their priorities are already. He said there may be some specifics in terms of the infrastructure that may need to be made. The WRF is going to be in the plan and a bunch of other things. We are already aware of a lot of what is in there.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN