MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, MARCH 17, 2020, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Glynda Cavalcanti; Vice Chairman Charlie Frank Matthews; Secretary Darryl Thomas-Bey; Deputy Secretary Frank H. Fee, IV; and Mayor Linda Hudson.

Others present: John K. Tompeck, Director of Utilities; Barbara A. Mika, Director of Financial Services; Nina B. Penick, Director of Financial Services; Paul A. Jakubczak, Director of Electric & Gas Systems; Bowdoin G. Hutchinson, Director of W/WW Systems, and Javier Cisneros, Director of Utility Support Services; Joshua P. Gang, Director of Regulatory Affairs.

The meeting was called to order by Chairman Cavalcanti.

Opening Prayer was by Alice Ladomirak of the Treasure Coast Energy Center.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Nina Penick presented the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting CAFR for FPUA's FY 2018 Comprehensive Annual Financial Report. She said it was slightly delayed this year to have it the same day as our presentation. The GFOA recognizes governments which have gone beyond the minimum requirements of generally accepted accounting principles. FPUA's CAFR has been judged by an impartial panel, to have met the high standards of the program, to evidence the spirit of transparency and full disclosure, and to clearly communicate its financial results. Mrs. Penick said she would like to offer special thanks to the Finance staff and all of FPUA's staff, all year long. She said this is built from the bottom up and we really do appreciate everybody's efforts. FPUA has received this award since 1995, 25 years. FPUA was one of only 284 governments in the State of Florida to have received the Certificate of Achievement for Excellence in Financial Reporting for their FY 2018 CAFR.

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

A motion was made by Mr. Matthews, seconded by Mr. Bey, and unanimously carried to approve the Minutes of the Regular Meeting of February 18, 2020.

Reggie Sessions, as a citizen, of 1304 North 22nd Street, Fort Pierce said his purpose for being here this evening is to appeal to the Board from individuals he feels could ultimately suffer the consequences if they are burdened with a light bill during this period of time that we are about to go through in terms of a crisis. He is grateful and hats off to FPUA in what he read today that there is a decision made not to have cutoffs during this period of time. However, it was not clear to him if an individual is faced with a situation where there are some predictions where this could go on for months up until June, July, or perhaps even August, if in fact something like that happens true enough you made an effort not to cut their lights off, but as far as that bill accumulating for a period of several months, will those individuals be stuck with trying to pay the accumulative bill. Mr. Sessions said he knows in the past when it was for the purposes of a hurricane, FPUA took some of the measures in not having cutoffs. He said these individuals were in fact charged with paying whatever period of time that may have passed even though they were given the benefit of not having the lights cut off. While it was not clear to him, what exactly the objective was or whether or not FPUA is going to make sure that the individual is not stuck with the burden of doing so, it is a main concern of his. He is here to appeal to the Board to come up with a remedy and he does believe there are some funds from the City's perspective where they collect about $1/month that FPUA collects from the utilities. There is about $265,000 in that fund with about $165,000 going towards a security system with the Police Department. That may be an option from the City's standpoint to contribute towards that. Mr. Sessions said make no mistake about it, true enough, the benefit of not having the lights cutoff, but we are setting up individuals to fail if they are stuck with a light bill they cannot handle at the end of all of this.

A motion was made by Mr. Matthews to delete Item 1 and to approve the remainder of the Consent Agenda items. It was seconded by Mayor Hudson and unanimously approved.

1. ~~Excuse Frank H. Fee, IV, FPUA Board Deputy Secretary from the Board meeting today because he is out of town.~~

2. Appoint Javier Cisneros, Director of Utility Support Services, to the City of Fort Pierce Retirement Board.

3. Approve Post Budgeted Project/Budget Request in the amount of $75,000 to fund the costs of rehabilitating portions of the sanitary sewer system along North 8th Street between Orange Avenue and Avenue E.

4. Approve POA 6081B: The Small Utility Enterprise Agreement with Environmental Systems Research Institute Incorporated, of Redlands, California, in the amount of $150,000 for software maintenance. The initial term of this agreement shall be from March 18, 2020 to March 17, 2023 with unlimited one-year renewals.

5. Approve POA 20-37: FPUA's participation in the Florida Municipal Power Agency Joint Purchasing Project Invitation to Bid No. 2019-009 with Ace Pole Co., Inc. of Blackshear, Georgia, for the purchase of Chromated Copper Arsenate-treated wood utility poles, in an amount not to exceed $75,000 annually. The initial term of this agreement will be from March 17, 2020 to April 30, 2021 with three one-year renewal options.

6. Approve RFQu No. 20-27: The Contracts for Continuing Professional Engineering Services related to communication networking for FPUAnet with Fujitsu Network Communications, Inc., of Richardson, Texas, effective March 17, 2020 through March 16, 2025, with unlimited five-year renewal options, contingent upon receipt of the required Certificates of Insurance.

7. Approve RFQu 20-27: Specific Authorization No. FUJ-93-20-1 with Fujitsu Network Communications, Inc. of Richardson, Texas, in an amount not to exceed $86,334 for the Lincoln Park Network Design services. This Specific Authorization shall commence upon Notice to Proceed and end upon final completion and acceptance of the work by the FPUAnet Manager, contingent on receiving the required Certificate(s) of Insurance.

8. Approve Post Budgeted Project/Budget Requests for the Edwards Road Project in the amount of $99,100 for Electric and $103,000 for Gas. The total project requested amount is $202,100.

Mayor Hudson asked if we need to excuse the Attorney.

Mr. Tompeck said he does not believe we have to, but he did excuse him.

Mr. Matthews said there should be a representative from the legal office somewhere. He said it would be his responsibility to do that.

Mr. Tompeck said we talked about that and he did not think it was necessary for Amy to come. He said they are alternating, she is working from home while he is in the office and vice versa. She was not in the office today and Koby was and Mr. Tompeck told him it would not be a good idea for him to come today.

A letter was received from Hali Sims and James Hatfield thanking Jennifer Krip and Kevin Parrish from Electric and Gas Systems for working together and resolving their electric problem.

Mr. Tompeck said the first item is and information presentation by Paul Jakubczak on State and Legislative issues.

Paul Jakubczak, Director of Electric & Gas Systems presented the 2020 State and Federal Legislative updates. He said these were brought up during our Legislative Rally in Tallahassee and Washington DC in the month of February. Some of these have changed based on the time we were up there. On the State side there are a list of bills displayed and he will go over a little bit with each one of them. House Bill 653-Municipal Electric Utility Transfers, which limits the ability of electric utilities to transfer funds from the general fund of any city that received the benefit from having a municipal electric utility. In Fort Pierce it is roughly $3.6 million out of the City's $6 million that comes out of the electric. As you can see, we strongly oppose this bill because we do believe there is a true benefit from having an electric utility to the cities we represent. The second one is House Bill 773-Medically Essential Customers, has been out there for a while and it increases the amount of restrictions or requirements utilities have to have in order to make sure a medical customer has the proper information. They need to be informed as far as what their needs might to be, what their requirements are, and what FPUA's requirements are for their service.

Mr. Jakubczak said the third one on the list is Senate Bill 412 which also had a House Bill companion and it is to get a "Thank a Lineman" license plate. He said this has been on their docket for about three years and with the State of Florida we do have quite a few specialty plates out there. It took a while to actually revise some of the rules of what is required for this. He is happy to announce this did pass last week so the next step for that is to come up with a design and presale of 3,000 plates. As soon as that happens we will start seeing them out in the community. From what Mr. Jakubczak understands is within the next six months or so, we probably should be seeing those if we can get the design approved and the presales moving forward. The next one is House Bill 207 Acquisition of Water and Wastewater Systems, which the Mayor had mentioned previously. This actually says if you acquire another system, it tells you how you can pay for those expenses you had while you acquired the system. When Vero Beach was acquired by FPL, the original thing was that FPL was going to be forced to spread this across their entire customer base. Well, that kind of changed when they went to the PSC where the residents of Vero Beach are now paying a little bit more than what they had anticipated because they had to eat some of that additional costs that FPL had to pay when they acquired that system.

Mr. Jakubczak said the fifth bill is House Bill 943 – Electric Vehicle Infrastructure and this is expanding the amount of electric vehicle charging stations throughout the state. He said this is because of hurricane evacuation routes. There is a grant available that is due in May, which FPUA is going to be looking at applying for to advance our electric vehicle infrastructure within the City considering we also have the Turnpike and I-95 right here at our door step. The last one is House Bill 441 – CCNA limit changes and this increases the amount of limits that we can use and how we go about using when we do contracts with engineering firms. Unfortunately it was ready to go and then it went to the engineers so we never know what is going to happen when the engineers get their hands on things. That is it on the state level.

Mr. Jakubczak said on the federal level is the first one in a continuing saga for FEMA reimbursement after events. He said it is an interesting chart as presented by FMEA and we also presented this to our delegates when we were up there. In Hurricane Irma and Hurricane Michael the Florida Municipalities asked for about $150 million worth of reimbursement. To date, they have received less than $10 million and some of the figures show it less than $5 million. Mr. Jakubczak said he had Barbara give him some numbers because he knew the Board would ask this. He said in the three hurricanes FPUA had, Matthew, Irma, and Dorian, we have a little over $2 million of reimbursement expenses we have submitted to FEMA. To date we have $130,000 paid to FPUA, so that gives you some of the discrepancies. One of the things is they are kind of listening to what we are doing and hearing about issues we are having. They are pushing for hazard mitigation before storms and we are starting to look at a grant application process similar to what we currently have with the state through EOC. It is to mitigate before the storm and storm hardening our systems ahead of time, raise them up as sea-level rises and hardening your infrastructure or pole replacement program. We are looking into constructing an EOC for FPUA in conjunction with the City and that is something that may be a reimbursable expense as well. This is where the federal government is going and he knows the state government is already working towards that.

Mr. Jakubczak said the FCC is the other item we talked about and it is really not our friend even though they tell us they are our friend. He said they want to open up a 5 GHz spectrum, which has always been dedicated to municipalities and first responders. It keeps a lot of people off of it to eliminate feedback and noise that comes on the system and it helps us doing public safety. We are still looking at this, but we want to make sure that everyone knows this is out there and coming as well. It is not the first time the FCC has done this as well. The ongoing saga with pole attachments and 5G has not really changed a whole lot since the last year we talked about it. The FCC is still trying to tell us how much we can charge for our poles and limit what type of restrictions we can put against the power communication companies. Mr. Jakubczak said the last item is tax exempt financing of municipal bonds. He said we were able to keep tax exempt financing in there for 2019 and it is still in there for 2020. However, one thing we are pushing for is advanced refunding. They seem to have taken that out of the bill last year and we are trying to get them to put some kind of spending package in there. Basically, it is similar to if you want to refinance your mortgage because you get a lower rate, that is kind of what this advance financing is. It is a good thing for municipalities with tax exempt financing. He said he would be happy to answer any questions with the state or federal level.

Mr. Matthews asked Mr. Jakubczak to turn back to the state level and he said on SB412, he is concerned if FPUA has a plan if it is passed.

Mr. Jakubczak said it passed last week.

Mr. Matthews said to generate funds, what would FPUA have outlined for the funds generated.

Mr. Jakubczak said the funds would go to the Fallen Lineman Fund so if a lineman dies on the job, there is a fund for his family to be able to benefit from. He said this is just a specialty plate and a portion of those sales would go to that fund. That is the anticipation for this.

Mr. Matthews said on the federal level we have been horse playing with the Federal Government, but we do not have any problems in getting our ratepayers locally to come in to bring their money and pay. He said why can we not send an invoice back to them with a letter saying you are pass due for the past two and half years from FEMA.

Mr. Jakubczak said we have pushed and pushed trying to get FEMA to work with us. He said we think we get to the bottom line and then they change their rules and personnel. That was one of the main things we pushed when we met with our senators as well. When they get ready to cut the check and then they have turnover in personnel so it is almost like you have to start over because these people do not really know the process. Also, there is another barrier we have to be concerned about as well. FEMA will cut checks, but they do not cut them to the individual municipalities. They cut them to the State Department of Emergency Management and then they go through their process before they finally cut the checks down to the municipalities. To answer your question, if you had a big pair of scissors, we could cut through all the red tape and make it a whole lot easier for everybody.

Mr. Tompeck said the next item is an update on the PCA and Barbara Mika will make the presentation.

Barbara Mika, Finance Director, presented the status report on the Electric Power Cost Adjustment for February 2020. She said she will provide information about February's power cost and updated projections through February 2021. The power cost adjustment or PCA, is the mechanism by which FPUA recovers power costs that are in excess of the $79.52 base power cost, which is included in the base rate. The cost of power purchased from FMPA for the month of February was billed to FPUA at the rate of $71.17 for 1,000kWh, this was a decrease of $3.78 as compared to the billing for January. In February FPUA experienced an under-recovery of power costs from the customer of $224,412 and the cumulative over-recovery as of February 29, 2020 was $4.6 million. Mrs. Mika said the chart displayed, the bars depict the balance of the PCA over-recovery and the dark blue line represents the PCA. She said the PCA which lowered $1.00 per kWh on February 1st is currently set at negative $11.00 per kWh. The blue bars represent the actual amount over-recovered while the orange bars depict what the over-recovery would be if the projections are correct. These projections have been prepared by Raftelis Financial Consultants, which in turn were based on projections prepared by Florida Municipal Power Agency. Since the January's forecast, FMPA's estimate of the cost of purchased power for the upcoming 12 months has increased by 0.8%. The next graph takes a look at the PCA trending through September 2021. While this a long range look, 18 months out, we can see in the shorter term and through the Spring and into the Summer months, the PCA over collection is expected

to move into the targeted range between $1 million and $4 million for over collecting. The most recent three months' from December through February, FPUA has experienced under-recovery from customers of almost $650,000. The trend that is projected here with "no change" to the PCA would move the over recovery of power costs into the targeted range in the next few months. Mrs. Mika said it is the recommendation of staff the PCA remain unchanged at this time and Staff will continue to evaluate updated projections and report to the Board. This item is for information only and requires no action from the Board.

Mr. Tompeck said the next item is the Quarterly Financials for September 2019 and Nina Penick will make the information presentation and will follow-up with the presentation on the CAFR.

Nina Penick, Finance Director, presented September 2019 Quarterly Financial Operating Results. She said this is the financial results of Fort Pierce Utilities Authority for the fiscal year ended September 30, 2019. This presentation is intended to cover three documents, the Comprehensive Annual Financial Report, the Quarterly Financial Operating Results which has some of the actuals along with some of the budget information that is contained in the Final Budget Amendment. That is going to be a resolution and the last item she will address. The operating income was down $3 million and the reason is when compared to FY 2018, it is primarily due to increases in general and administrative, depreciation, and field operations, offset in part by increases in residential and general service sales. Increases in the general and administrative costs include increases in salaries and wages, retirement, and inventory write-downs. FPUA adopted GASB 89 on October 1, 2018, discontinuing the practice of capitalizing or adding interest cost incurred during construction to the cost of assets being constructed. That was to the tune of about $100,000 a year, it was a credit to expense this year, but will not be there in future years. FPUA had an increase in Investment and Other Income of $390,000, an increase in TCEC Contract Revenue which is included in that number of about $457,000, and increase in interest income of about $176,000. It was also less some funds FPUA received related to St. Croix mutual aid assistance in the previous years of $244,000. It is just money that we did not get this year, but we had in 2018. The increase in Capital Contributions is due to improvement in the local real estate market. We are pleased to accommodate those developers who are interested in investing in our community. The Capital Contributions increased $736,000 and our Capacity Reductions were down $473,000. We did have storm expenses which is the cost of emergency protective measures for Hurricane Dorian in the amount of $245,000 so our increase in Net Position for the year was $276,000, decreased $1,871,000 from $2,147,000 in FY 2018.

Mrs. Penick said a 10-year look at our revenues shows a little bit of a peculiarity in this particular chart. She said in the early years we had decreases in electric revenues. She said the revenues being the red bars and the consumption being the black line on the graph. Over four years, early in this analysis, FPUA lowered rates 9 MWH, $4 in 2011, $4 in 2013, and $1 in 2014. She said she will do her best to explain why consumption is up and revenue is down. The electric operating revenues, less the power cost was down 3.0% from FY 2018, but consumption was up 3.9%. The

causes of this inverse relationship is the amount of the unbilled revenue recorded on September 30, 2019 was $1.3 million less than the amount recorded on September 30, 2018. Unbilled revenue is at the end of any given month there are services our customers have received, but they have not received a bill for it yet. We do an estimate of the amount that was used in September that will be billed in October and November. It is not a fun calculation, but the difference was $1.3 million less than the amount recorded in the year before, it was a decrease to revenue this year and an increase to revenue last year. Another reason is the Electric Purchases for Resale, as good as our rates from FMPA have been this year, they were up $500,000 more than the prior year. The chart displayed takes FPUA's operating revenues and subtracts the power cost, which is a direct charge to the customer and because it was a little bit more in 2019 that is also part of the reason why there was a difference. The rest of the electric operating revenues were up $2.3 million so everything is good.

Mrs. Penick said in FY 2019 the water operating revenues were up 7.9% and consumption was up 5.5% from FY 2018. She said FPUA has been adding customers and it is a wonderful thing. In FY 2017, this extra bump was a result of the capacity reductions recorded in that year where the developers reduce their capacity and pay off their Guarantee Revenge Charges. The water systems did very well last year and so did the electric system. The wastewater operating revenues were a little bit more flat and were actually down 0.8% from FY 2018, but the units billed were up 3.3%. As we have fewer capacity reductions over time and those will fall off, the revenues are going to level off as they did this year. On the natural gas side, the operating revenues, less gas cost, was up 7.1% from FY 2019, another great year. The consumption was up 8.3%. Over the 10-year period, there has been a 69% increase in consumption and 31% increase in revenue since FY 2010. That is primarily a result of contract customers that were first billed in August 2012, which was beneficial for our customers as well as FPUA.

Mrs. Penick said in FY 2019, expenses are fairly consistent year over year, but in FY 2019, the O&M expenses were 2.6% below projected, but 4.5% above FY 2018 actual results. She said the reason they were below the budget is because the cost of power purchased from FMPA was $5.1 million below projected, about 11%. We always put a very high number in the budget for purchases for resale. The cost of purchased power was $521,000 more in FY 2019 than in FY 2018 which was 1.3%. The good news is that there was a 1% increase in MWh purchased from FMPA. It is not that the rates we are paying to FMPA may be a tiny bit higher, but we actually billed and sold more power. In terms of our operating income and debt service, the operating income took a little bit of a nose dive and we talked about why already. The next chart is designed to demonstrate FPUA's ability to pay our dept. Our debt service coverage ratio for FY 2019 is 2.85, more than double the 1.25 required by FPUA's bond covenants. The cash ratio that we do have to calculate twice a year is 142, which is well above the 45 days. Mrs. Penick said she generally does not like to quote that number, but it is a published number. She said that would mean it cost FPUA about $215,000/day to operate, but that does not take into consideration the City Distribution, the principal and interest we pay on our debt, and our capital costs. Those are some pretty big numbers and in real days that is about 105 days. Last year we spent about

$290,000/day. Mrs. Penick said she looked back in one of her data bases and realized this is not the most unrestricted cash we have ever had. She said we had more unrestricted cash on March 31, 2014 and it was right before we paid the City Distribution, but it was after we paid the debt payments or at least half the interest. At that time the balance was $37 million and she did not remember that. Included in Note N on page 49 of the Notes to Financial Statements is the calculation of the Distribution to the General Fund of the City of Fort Pierce. We expect to pay about $6.3 million to the City later on this year. Mrs. Penick said Jim Hartley, our external auditor is in the audience if the Board has any questions for him or questions for her. She is requesting Board approval of the FY 2019 Comprehensive Annual Financial Report.

Mr. Matthews said he will try to break it down to his understanding with the other members of the Board. He said to go back to the operating losses and asked if Mrs. Penick puts the uncollectable funds that we do not collect in that category.

Mrs. Penick said we do have a bad debt reserve and there is an amount that was uncollectable. She said the utility bad debt expense was $41,000 this year and that is way down. We have improved our lien procedures for the inactive account charges and we have a good deposit policy so people do not get too far behind in their bills. In 2017, that very same number was $262,000.

Mayor Hudson asked what page Nina was looking at.

Mrs. Penick said she is looking at the Final Budget Amendment, page 6. She said that will have all of FPUA's expenses for FY 2017, FY 2018, the amended budget for FY 2019 and the final budget for FY 2019, which is really our actuals.

Mr. Matthews said he would like to ask about the retirement from year to year and asked if FPUA is greater with persons leaving and going in retirement or are we less as we move in different years or about the same.

Mrs. Penick said the required contribution for next year, the 2021 year, actually went down over 1%. She said in terms of the current contributions they are decreasing percentage wise. We are paying it on higher salaries to start with and the other thing she wishes she could do a good job of explaining. We have a GASB 68 adjustment that we have to make and the actuary prepares the information for us and we accrue an additional liability over and above what we are required to pay in cash. That adjustment this year was $2.1 million and it is a non-cash item. The liability and the deferred inflows and the deferred outflows are all items stated on our statement of net position otherwise known as a balance sheet. Those numbers have been adjusted upwards over time and we continue to book that adjustment each year. We are hoping the actuary will be able to provide us an estimate earlier in the year than February 28, which is when we received it this year to book the entry for all of last year. We are hoping we are going to have better estimates. Mrs. Penick said she is not an actuary so she is not sure she can tell Mr. Matthews whether the expenses are going to increase or decrease over time.

Mr. Matthews said what is puzzling him in this whole deal is you have the operational amount and down the line somewhere you deduct the expenses whatever the operating expenses are. He asked far down the line before you take it out, at the end of the year, why not take it out as you go? He said $100,000 in January ought to be taken out in January.

Mrs. Penick said FPUA pays into the system every two weeks, every time we issue paychecks, we pay into the system, both the employer and employee share. She said we continue to pay in all throughout the whole year.

Mr. Matthews asked if she ever over pays it like that.

Mrs. Penick said no because they tell us exactly how much to put in. She said what she cannot really do a very good job of explaining to the Board is to why we have these additional adjustments based on the same actuary, just a different perspective. It shows somehow that we are expected to be paying out more. It is all dependent upon on how long our employees live because most of the benefits are for life.

Mr. Matthews said in reference to the City Distribution, how does it get to be different. He said the reason he is asking that is even though there is a loss, we are still giving the City the $6 million.

Mrs. Penick said they are not related at all. She said there are three employee groups in the retirement system, it is not just FPUA. She said there is also the City and the Police. The information is accounted for completely separately. Over the years the contributions for each of those have changed. As an example, the City employees puts in she believes 5.16%, FPUA employees put in 6.16% and that is just something that happened years ago and FPUA never caught up, if you will, so they are out of sync. Both the Police as well as the general employees are paying the 5.16% and because people are getting paid different amounts of money, it is all based on the people. Every year we have to give them census data on every employee. We have to give them what they are making, what their birth date is, etc.

Mr. Matthews asked when an employee leaves FPUA, is there retirement based on the last high five years.

Mrs. Penick said if they have been there five years, it is calculated on the top five of the last ten years, times the number of years of service, times 3%. She said that is if they take the straight life option. There are actually five other options where they can leave some of the money to their spouse if the employee passes. There is 10-year certain if they are leaving it to an estate, or you can leave everything to your spouse, or can leave a percentage to spouse. The primary basis is the top five of the last ten, which is generally the last five, but not always.

Mayor Hudson said she had a question on the retirement. She said in reference to page five of the Final Budget Amendment, you said the retirement was higher this year.

Mrs. Penick said yes it was $4.9 million for the retirement and of that $2.1 million was an accounting entry, not cash that went out the door.

Ms. Cavalcanti said it is booking or increasing the reliability.

Mayor Hudson asked if FPUA budgets for when someone leaves and has a large payout upon retirement.

Mrs. Penick said that does not generally happen because that is already figured in, it is standard. She said that would be expected.

Mayor Hudson asked if the actuary figures that in.

Mrs. Penick said absolutely.

Ms. Cavalcanti said it is in the liability number.

Mrs. Penick said there are so many moving parts to the pension because it is based on what kind earnings the pension plan earns.

Mayor Hudson said a lot of it depends on the stock market.

Mrs. Penick said absolutely, so many working parts. She is requesting the Board approval of the FY 2019 Comprehensive Annual Financial Report.

A motion was made by Mayor Hudson, seconded by Mr. Matthews, and unanimously carried to approve FY 2019 Comprehensive Annual Financial Report as presented.

Mrs. Penick said moving on to the Final Budget Amendment is the one where we put very large amounts in our revenues and expenses for basically purchased power, gas is much more conservative and is a smaller number. She said pretty much what you are going to see is a final that is going to be a lot less than what the amended budget was both on the revenue as well as on the expense side. At least they are less and that is a good thing except we do not like to see less revenues, but the only reason there is less revenues is because there is less expense on the PCA side. This is basically a housekeeping item, but she is requesting the Board adopt Resolution No. UA 2020-04 Fiscal Year 2019 Final Budget Amendment. Mrs. Penick requested Florinda Mazzarella to read the title of the resolution into the record.

Mr. Matthews asked if it is going to go to the City for approval.

Mrs. Penick said both the CAFR as well as the Final Budget Amendment will go to the City Commission.

Mrs. Mazzarella read the title of the resolution into the record as follows: "Resolution No. UA 2020-04 – A resolution amending the budget of Fort Pierce Utilities Authority of the City of Fort Pierce, Florida for the fiscal year beginning October 1, 2018 and ending September 30, 1019."

A motion was made by Mr. Matthews, seconded by Mr. Bey, and unanimously carried to adopt Resolution No. UA 2020-04, a resolution amending the budget of Fort Pierce Utilities Authority of the City of Fort Pierce, Florida for the Fiscal Year beginning October 1, 2018 and ending September 30, 2019.

Mr. Tompeck said the next item is two banking items that require approval and Nina will continue to make the presentation on those.

Mrs. Penick said the good news is after all the dust has settled with regard to the transfers that have been made amongst all of our different accounts, we have opened a couple of new accounts, added some money to higher earning accounts, and we have two resolutions at two different banks that we have to approve separately. She said this also is a housekeeping item that is the final paperwork needed to provide the updates for the authorized signers on FPUA's bank accounts, to get Nina off and Barbara on.

Mr. Matthews said he brought this up once before and asked if on some of the projects, when we do a resolution like this, then could we put the amount. He said we have no way to know how much money is in the bank.

Mrs. Penick said it is always changing because we are always earning interest so it will always be increasing. She said what you see on the screen represents fairly close to how much is in each of them. The quarterly financial operating results will give you the numbers.

Mr. Matthews asked what book she is looking into.

Mrs. Penick said the blue one that says quarterly financial operating results on page three, it will show how much the balances were as at the end of this particular quarter. She said anytime we do quarterlies that information is presented, how much is in each account.

Mayor Hudson asked what page it is at.

Mrs. Penick said page three and it will always be page three unless they change up. She said you can see Seacoast has about $38 million and the bulk of the money is in the insured cash sweep.

TD Bank, which is the other resolution that we are authorizing today, we just opened a Certificate of Deposit for the amount of $1 million. That could always change, these resolutions basically show that the Board is authorizing FPUA to invest in those two institutions and these are the authorized signers.

Mr. Matthews said for auditing purposes it ought to be named so an auditor knows we have $1 million over here in bank 29.

Ms. Cavalcanti said the auditors get a confirmation of all the banks and the exact amount. She said when they do the audit, they confirm every one of those amounts to the penny.

Mr. Matthews said that would not be correct because if we approve $1 million and by the time the audit comes along, it might not be but $100,000.

Ms. Cavalcanti said they are looking at the audit as of September 30th, they do not audit for every quarter. She said they audit once a year so they vouch that number every year, they have to.

Mrs. Penick said it is a big number and they are not easy to get from the banks, the banks are not terribly co-operative.

Ms. Cavalcanti said they are not terribly accurate.

Mrs. Penick said other than that, there is no problem.

Ms. Cavalcanti said other than that yes great and that is why the auditor does a lot of work.

Mrs. Penick said and it takes longer than it has to.

Mayor Hudson said they are in the audience and we appreciate him.

Mrs. Mazzarella read the title into the record as follows: "Resolution No. UA 2020-02 – Governmental Entity Certificate of Resolution".

A motion was made by Mr. Matthews, seconded by Mayor Hudson, and unanimously carried to adopt Resolution No. UA 2020-02, TD Bank Governmental Entity Certificate Resolution.

Mrs. Mazzarella read the title into the record as follows: "Resolution No. UA 2020-03 – Corporate Authorization Resolution".

A motion was made by Mayor Hudson, seconded by Mr. Fee, and unanimously carried to adopt Resolution No. UA 2020-03, Seacoast Bank Master Corporate Authorization Resolution.

Mr. Matthews asked if the resolutions require signatures.

Mrs. Cavalcanti said they do.

Mr. Tompeck said a couple of things related to the Corona Virus. FPUA issued a press release yesterday announcing the customer lobby would close effective tomorrow, Wednesday March 18th for a period of at least two weeks at which time we will evaluate further closings. He said the press release highlighted additional ways of connecting with customer service during the closure. The drive-through will remain open and FPUA will also suspend service disconnections during this period. The Manatee center has also been closed effective today. Most of our volunteers are in the "high risk" group and we do not want to put them in harm's way. Rachel and her staff are putting together some additional children's educational information on the website and Facebook page so they keep the kids busy and not drive their parents crazy when they are home. Great idea! We are currently implementing our pandemic plan, including options for telecommuting and we are going to take a closer look at that later on in the week. As events and updates continue to unfold, Mr. Tompeck said he will keep the Board up to date. Most upcoming events have been postponed or cancelled as we try to limit gatherings to no more than 6-10 people. All out of state travel has been suspended and we're trying to limit in state travel as well. Most of the meetings that have currently been scheduled have been postponed or cancelled so it should not be too hard. Special emphasis on hygiene and sanitizing are in effect in the buildings.

Mr. Tompeck said FPUA has received the draft report from Raftelis on the joint FPUA/County study on relocation of the WRF. He said it is recommending an 8 mgd plant expandable to 10 mgd. The cost estimate for the north location, which is near the airport is ~$141M and at the south location (TCEC) is ~120M. We are still reviewing the report and will provide the Board with an information presentation on this subject in the near future. The FPUA update to the City Commission at the conference agenda meeting next Monday has been postponed and will be rescheduled.

Mr. Matthews said he has a deep concern on what happened. He said he was at the Publix, standing outside and a gentleman came along about 22 or 23 and said he sees that FPUA is going to be closing and he wondered what he was talking about. It looks to him the protocol would be to come to the Board first before putting it on the website. The gentleman being 22 was probably a computer whiz probably saw it. Mr. Matthews said this meeting right here we could have approved what we were going to do anyway.

Mr. Tompeck said he thought we had discussed this internally last week and were kind of waiting to see exactly what the School Board was going to do. He said we thought there was a critical dynamic here because we knew the schools would close this week for spring break and they

closed for an additional week. We thought that might have an impact on our employees and their ability to take care of kids and we also thought there was a better chance of transmitting the disease in the lobby. Mr. Tompeck said he also got some information from the County about the fact they were trying to limit public access to our employees and to their employees and that is why we decided to go ahead. He apologized for not bringing it to the Board, but he wanted to get the information out as quickly as possible so the people would be aware and give them a little bit of time before we actually closed the lobby. The drive through will still be open and one of the nice features here is our staff will still be there. We will have additional people to handle phone calls and inquiries. The press release went into great detail about the additional ways our customers can pay their bill or contact us.

Mr. Matthews said another concern he has is one speaker that spoke today, he has had the same concern in another angle. He thinks we need to not go by the national movement, lets treat our local ratepayers a little differently. The average person probably makes $15,000 or less and trying to take care of household matters. We should, as a Board, try to look at whether or not we can take some of the monies we have somewhere and maybe say if they have been with the Utility Authority for five years, they get a percentage to help them out, that would be for hardship. Mr. Matthews said the other problem he is concerned about is that we are so easy to create a new suffering for persons like our ratepayers. He said what will happen is the longer you stretch a time delay for someone to pay the bill, he has enough sense to know and hopes the Director has enough sense, but they are going to spend that money. They think they need to free it up somewhere so his thing would be is to put some kind of pilot program together or a credit line for them to pay something. Let's say they owe $500, a person can pay $100 to keep their lights on. He asked if they would have pay that and said we ought to be working a program out that will pay that other $400.

Mr. Tompeck said we can certainly look at some options there, but one of the difficulties we have is the Public Service Commission Rules and Regulations say FPUA cannot violate in terms of treating customers differently.

Mr. Matthews said some of the things he thought of is he heard the restaurant west of town, Golden Coral, is laying their people off. He said that is not money coming in at all. He said we have 30 of our ratepayers working out there and have 30 headaches.

Mr. Tompeck said he understands the problem and we certainly will take a look at it. He cannot off the top of his head promise that we can do anything.

Mr. Matthews said another concern he has is Allegheny and said we put $600,000 in the smart program and asked how much Allegheny gave.

Mr. Tompeck said he believes it was $400,000, the City of Fort Pierce threw in $200,000, and the County $50,000.

Mr. Matthews said we should be equal partners in the smart program.

Mr. Tompeck said that is the way we set it up as part of FPUA's program to help build the City and help the area of Lincoln Park. He said we actually threw in a lot, but Allegheny did very well in getting us $400,000.

Mayor Hudson said there is so much we do not know that is going to happen as a result of what we are going through right now. She said we should be mindful of our customers which is a great thing and she thinks this whole country is going to be mindful of businesses as well as working with people who are not going to have enough money. In a way we are all going to be in the same boat. Mayor Hudson said they had a press conference today out at the County and talked about what the City was doing and she wanted to let this Board know. Police services and waste/recycling services are going to remain the same for right now. City Hall will remain open starting tomorrow with limited access. The public will not be able to be in without being monitored, they are going to set up a system for that. All Board and Committee meetings are being cancelled, all recreational programs are being cancelled, all large scale events are being cancelled, and that large scale is being whittled down to now 10 people. The Sunrise Theater is of course closed, City parks will be open, Indian Hills Golf Course will be open, Fort Pierce City Marina will continue to be open, but will not accept new reservations. Mayor Hudson said the gift shop is closed and she also covered what FPUA was doing in terms of the lobby and no service disconnections. She said the City will be issuing alerts daily. This will be changing daily so none of knows what will be happening in the future. So far the beaches will remain open which was announced by the County and the Governor has not said anything about the beaches yet.

Mr. Matthews said it is funny how the beaches got an exempt.

Ms. Cavalcanti said they are saying this virus does not like heat and sun so the beaches should be open.

Mr. Matthews said they should go to the beach to be safe.

Ms. Cavalcanti said she thinks the beach is one of the best places to be.

Mayor Hudson said our beaches are not crowded like the others.

Ms. Cavalcanti said they are not like Miami.

Mayor Hudson said they are not like Miami and Fort Lauderdale. She said things are happening and changing by the hour so she does not think anybody knows what is going to happen in the future. Everybody needs to pay attention and take it seriously.

Mr. Matthews said one thing you did not tell them is the bars will be closed too.

Mayor Hudson said she did not tell that because the Governor announced it this afternoon that the bars and night clubs as of 5:00 today will be closed.

Ms. Cavalcanti said restaurants that serve liquor are still open till 9:00 pm

Mayor Hudson said they are open at 50% capacity, that was announced by the Governor.

Mr. Bey wished everyone a Happy St. Patrick's Day.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN