MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, APRIL 21, 2020, 4:00 P.M., via WebEx: www.fpua.com/live.

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

Others present on line: John K. Tompeck, Director of Utilities; Barbara A. Mika, 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; and Joshua P. Gang, Director of Regulatory Affairs.

The meeting was called to order by Chairman Cavalcanti.

Opening Prayer was by Florinda Mazzarella of FPUA.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Paul Jakubczak, Director of Electric & Gas Systems, presented the 1st place award given to Dan Tillman at the Lineman's Rodeo for the Written Section. He said these are some exciting things that have happened for FPUA. In the beginning of March, we attended the 2020 FMEA Lineman Competition in Tallahassee. FPUA's team was made up of five apprentices, Dade Cappar, Charles Alford, Dan Tillman, Brandon Richardson, and Dalton Wolfe. It was a nice bright sunny day as shown in the photographs as we got started. It was about 75 degrees and it climbed to about 90 degrees in a matter of one hour. The events the apprentices had to do consisted of six different events, the first was a written test, which emphasized safety. The second was a three-phase fuse replacement from the ground, the annual hurt man rescue, phase change out, pole top pin change out, and street light head replacement. Mr. Jakubczak said he is happy to present the Board, FPUA's 1st Place winner in the written exam, Dan Tillman. He said the written exam is a timed and graded test and Mr. Tillman scored in the 80s with the next closest competitor getting a score in the mid-70s. Our hats off to Dan Tillman.

Mr. Jakubczak said the second award he would like to present to the Board is the FMEA Restoring Community and Safety Award for 2020. He said this is normally presented during the Lineman Competition as well. The Restoring Community award is awarded to municipalities that either took in mutual aid or provided mutual aid in a time of need to another city. The Safety Award was awarded to FPUA based on our performance in the previous year. We were able to secure 1st Place in the Florida Municipals and also did win an award in the National level at APPA as well. So hats off to the entire company for putting safety first.

Ms. Cavalcanti congratulated them for a job well done.

Mr. Jakubczak said thank you and that he would pass that on.

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

A motion was made by Mr. Bey, seconded by Mayor Hudson, and unanimously carried to approve the Minutes of the Regular Meeting of March 17, 2020.

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

1. Ratify the emergency purchase and Vendor Agreement with Cisco Systems, Inc., of San Jose, California, in an amount not to exceed $4,596 for the Cisco WebEx Events Center, for the period from April 8, 2020 to April 7, 2021.

2. Approve the Budget Transfer Request in the amount of $70,000 to fund the replacement of failing distribution poles.

3. POA No. 14-56: Approve a) Budget Transfer Request in the amount of $60,000 and b) Specific Authorization No. 56-20-01, with Leidos Engineering, LLC, of Reston, Virginia, for design services for the Replacement of Savannah Transformer No. 1-Part 1, in an amount not to exceed $118,059. This Specific Authorization will commence upon written Notice to Proceed and end upon final completion and written acceptance by FPUA.

4. Approve no change to the Purchased Gas Adjustment for the month of April 2020.

5. Bid No. 19-10: Approve Budget Transfer Request in the amount of $80,000 for the first renewal option of four one-year renewals on Bid No. 19-10 for the procurement of two 69 kV breakers, with ABB Enterprise Software Inc., of Cary, North Carolina, in the amount of $67,386, contingent on receiving the required Certificate(s) of Insurance.

6. POA 5368: Approve Amendment No. 1 to the Contract with Cogsdale Corporation of Ontario, Canada, in the amount of $97,610, which includes $91,360 for Software and $6,250 for the first year of annual maintenance and support for the SilverBlaze Capricorn Customer Portal. The initial term of this agreement will be from March 18, 2020 to March 17, 2021, with annual renewals in the amount of $6,250 for ongoing maintenance and support.

7. POA 20-40: Approve the piggyback of Tohopekaliga Water Authority's Invitation for Bid ITFB) IFB-17-124 and Contract with Professional Piping Services, Inc., of Wesley Chapel, Florida, in

an amount not to exceed $73,365 for force main poly pipe cleaning services. The term of the contract will be from April 21, 2020 through September 30, 2020.

8. POA 17-50: Approve 1) Budget Transfer Request and 2) the single source purchase of eleven substation controllers for system upgrades in the amount not to exceed $121,339 from Advanced Control Systems, Inc. of Peachtree Corners, Georgia.

9. RFP No. 20-32: Accept Proposals from and approve Contracts for electrical services at various residential and commercial customers locations throughout FPUA's service territory with James E. Matula Electrical Contractors, Inc. dba Matula Electric, of Fort Pierce, Florida, in an amount not to exceed $16,666 annually, Thomas E. Richmond Electric, Inc. dba Richmond Electric, of Fort Pierce, Florida and WirenutZ, Inc., of Fort Pierce, Florida, each in an amount not to exceed $16,667 annually, for a total of $50,000 per year. The initial term of these Contracts will be from April 21, 2020 to November 4, 2021, with five one-year renewal options, contingent on receiving the required Certificate(s) of Insurance.

John Tompeck, Director of Utilities, said the first item this afternoon is a presentation on the Business Development dashboard and Ana Johnson will make the presentation.

Ana Johnson, Business Development Officer, presented an update on FPUA's Business Development Dashboard. She said Ft Pierce Utilities Authority has taken an active role in the development process, as she hopes the Board has all witnessed since her last presentation. Over the past year, Ft Pierce Utilities Authority has made great strides toward communicating openly with our City, County, EDC partners, developers, and as well as our community, regarding the growth and opportunities that are delivered to the Planning Department with the City and County, as well as ones that lie ready and waiting in this territory. Ms. Johnson said to continue in the same positive and productive fashion, today she will show an application that has been created and deployed by our Development team here at Ft Pierce Utilities Authority to track these exciting projects. Let's talk for just a moment about the benefits that come with a tracking mechanism for any development process, particularly when in a digital format. It is easily accessible, allows for status updates and reporting on the existing and upcoming projects that are coming down the wire. You can get brief details readily available at the early stages, status, utilities that are requested by customers, the portfolio if they desire, site planning, utility and engineering comments, as well as planning and permitting information that is also made accessible to the Utility Company. There is greater efficiency in communication among the departments and the teams as the application develops further, becomes more broadly utilized, and allowing for higher level overview for the bulk of the development in our community and what types are actually taking place.

Ms. Johnson said the potential for the future public viewing option is something we see with our partners in cities surrounding us and is something with limited detail that outside organizations

or developers or customers will be allowed to see giving them an opportunity to visualize what is happening in our territory and that is a real possibility. She said also before we continue, the application you are about to view has been engineered to track the industrial and commercial growth in our territory during the stages of development, to record comments, and to allow for pinning of the location to the map so that we may better visualize where our greatest impacts are being witnessed in this territory. Going forward, we would like to add a segment to support the tracking of PUD although she has been adding a few to this application. Ideally, this would be so we are able to better see where the bulk of our new residential builds are taking place and not just our commercial and industrial. We believe they go hand-in-hand and it to be a critical piece of the development puzzle.

Ms. Johnson said the following is a snapshot of the Business Development Dashboard, wherein the FPUA Development Team as well as our Directors, have the ability to quickly acquire data, view the projects and their documents or plans if any have been made available, and to review comments or notes provided by the engineering teams, architects, or developers. She said with a simple series of clicks, a party with administrative access would be able to quickly obtain the Portfolio if one has been requested or created, as well as any other pertinent documents. We will take a brief walk through the live Dashboard and see where our documents are stored and how we add/edit a project. Displayed is a live Dashboard showing 83 projects listed. As a reminder the application is not public and the information remains internal to FPUA. As she continues to load projects and update the status of projects, and work with our GIS team to navigate through any remaining areas that require attention, we are very excited and look forward to what this application will offer more broadly in the very near future. The projects are listed in alphabetical order and the search option is best for this. Ms. Johnson pulled up a project that is going through its due diligence at this time and is referred to as Mission Gardens, a multifamily development with 122 units. You can double click and it will allow any details associated with that project. The notes are on the right hand side. We can expand and minimize any of the available boxes with information located on the Dashboard. The information that is associated with the account is only assessable by certain people that have been given that authority. She said once the details have been expanded, you are able to see the most recent note, location, what stage in development this project is in, any contacts related to the account, the utilities desired, as well as the live link to the site plan and portfolio, internally. It identifies what utilities have been requested for this particular developer and also includes contact information for the design professional or the party who would like to be contacted for communication from the utility standpoint on this project.

Mr. Johnson said to edit or add a project, there is a separate editor application that is utilized, as mentioned prior. She said this is where you can find a location by PCN or address and can pin it to the map and if it already exists, I am able to add notes, edit dates, add meeting dates, etc. I can add documents and plans through Ft Pierce Utilities Authority's secured intranet, so once the live link is in the project on the Dashboard application, all material loaded on FPUAs Intranet, is made available through the link provided in the project details. The information is secure and

allows for only the staff who are authorized, to view the material, and print if needed. We do not want just anybody to access it. Displayed is what it looks like on the inside and shows where the folders are found on FPUA's Intranet and you could pull up your project and see on the right hand side the portfolio if it is available, the estimate for the CICs on the project as well as the site plan for the actual project. Fort Pierce is expanding very quickly as far as its development and it's broad. It is reassuring and encouraging to know that growth is not limited to only the eastern and western areas and it truly is happening all around us. We wanted to give you an idea and you can see it is very scattered.

Ms. Johnson said the application actively displays 83 projects, in all different stages of development, but there are many already in review or that are already under construction that preceded this application's development, and there are many not yet entered yet. It is an ongoing process. Fort Pierce is growing rapidly and her hope is that long term we will adapt to a flow that includes the sharing and editing of information via this application, both internally and externally. An adapted version may be available even for our community and developers to view online as discussed previously. Special thanks to Jason Drost, Laurie Martin, and Karina Livingston for development, design, and editing of the Dashboard application.

Mayor Hudson asked if this was accessible to anybody in the City of Fort Pierce.

Ms. Johnson said it is not at this time, but we really are hoping to develop it further and make it a user friendly option for our partners. She said for now it is not, but are hoping for it to be.

Mayor Hudson said so right now it is an internal tool to help everybody have access to the information that should have access to that information, is that right?

Ms. Johnson said that is correct and there is a lot of confidential information that is shared by these developers and these partners that are working on the projects. She said they have to make sure they keep the integrity of those pieces. That is why there was that administrative lock shown when she was trying to log in. If she was doing it from her own computer or had an opportunity to do it from a standpoint where an administrator here had access to it, then she would have been able to see what it looked like from a live standpoint. The information is locked unless you actually have that authorization.

Mayor Hudson said then the Board does not have access or outside people, but it is an internal tool to improve communication so you do not have to pick up the phone and ask where something is.

Ms. Johnson that is correct and at what stage. She said it also allows us to monitor how many projects are coming in, how many are in particular phases of their development, who is working on it, what is the most recent communication, and every little detail long term, the goal is to put it into this. As far as accessibility to outside partners, Ms. Johnson said she would like to see a

modified version of this. She has seen some other utility companies in other cities implement something very similar and what they have made available to their partners in the community was sort of a watered down version. They could see the details, the number of projects, where they are located, the name of the project if there is not some type of confidentiality agreement in play, that allows a better understanding of what is happening in the community. How many times have we driven past a location and seen something under construction and wondered what it was. This would make it really easy if someone knew they could go to a website and click on it to see what it is.

Mayor Hudson said right and she could also see it could be a tool if a project was lagging behind or something was not moving through the process. She said someone could look at this tool and ask why it is stuck in this particular place.

Ms. Johnson said some projects do face delays at times and it really is a neat way to have some kind of trigger that shows it has been sitting idle for a long time and find out what is going on.

Mr. Bey said he likes this and thinks it helps make FPUA more affective and more efficient. He said it could aid in the delivery of services and could also make us more business friendly. He likes the idea if there is some way it could connect the City into this in some fashion, it could help us all.

Mr. Tompeck said the next item is a contract amendment for pole mounted transformers and Javy Cisneros will make the presentation.

Javy Cisneros, Director of Utility Support Services, said he will provide some background on this item to paint an overall picture. He said in August of 1994, the Board approved joining the Joint Purchasing Project (JPP) through FMPA for the purchase of electrical materials. The FMPA JPP bid program meets all of the state law requirements for public bids. The JPP enables FPUA and other municipal utilities to take advantage of consortium pricing, which provides greater economies of scale which results in lower prices to FPUA and our customers. Now moving to July 2019, the Board approved the not to exceed amount of $200,000 for the purchase and delivery of pole-mounted transformers from Anixter of Illinois through the FMPA JPP. Mr. Cisneros said today, he is requesting the Board amend the not to exceed amount from $200,000 to $500,000, annually. He said this additional funding will allow for the purchase of additional transformers for critical annual storm inventory and allows us to have materials on hand in preparation for storm season. If these materials are not used for storm response, then we will use them afterwards for general maintenance and construction projects. Additionally, we also need more inventory on hand for ongoing projects such as the pole replacement project that was presented and approved by the Board in January of this year. The pole replacement project often requires the replacement of the transformers and that is what this will help to facilitate.

A motion was made by Mr. Bey, seconded by Mr. Matthews, and unanimously carried to approve amending the not to exceed amount to $500,000 for the purchase and delivery of overhead/pole-mounted transformers for inventory from Anixter Inc. of Glenview, Illinois, through the Florida Municipal Power Agency Joint Purchasing Project Invitation to Bid No. 2019-005 and 2019-005A. The initial term of this award is for five years, through June 2024, with an option to extend on a year-to-year basis beyond that date by mutual consent.

Mr. Tompeck said the next item is requesting the Board's approval of a Memorandum of Understanding (MOU) with the City of Fort Pierce for the Manatee Center and Josh Gang will make the presentation.

Josh Gang, Director of Regulatory Affairs, said this item is in regards to the 2020 MOEC MOU. He said the original MOEC Agreement was signed on June 22, 1995 and it was between the City, FPUA, and Main Street Fort Pierce, Inc. The MOEC building was constructed on City property and funded through a Florida Inland Navigation District (FIND) Grant and additional fundraising. Under the 1995 agreement and subsequent 1996 MOU, FPUA operates and manages the MOEC and has done so successfully for the past 25 years. During that time, FPUA has paid for all the costs associated with the MOEC's operations and maintenance. The City is ultimately responsible for capital cost and improvements to the MOEC building and the grounds. Over the years, FPUA has made several capital improvements at the MOEC just for the betterment of MOEC itself and for the City of Fort Pierce as well. Mr. Gang said now that we are coming up on the 25-year period, we have now negotiated a new 2020 MOU with the City and it continues under the same framework. He said FPUA will continue to manage MOEC and pay for operations and maintenance and the term of the agreement is for 25 years with 5-year automatic renewals. Once we sign the agreement, FPUA is agreeing to add a new roof for the MOEC building, observation tower and covered walkway as a capital expense. The work is planned for either FY 20 or FY 21. Continuing to support the MOEC helps fulfill FPUA's mission, MOEC has a positive impact on the City, Education Programs and Summer Camps, tourist attraction, and above all, it enhances the quality of life in the Fort Pierce community. We are seeking approval of the Memorandum of Understanding so we can move forward. The City has reviewed it and agreed to the terms and it is on their agenda coming up in the first meeting in May.

Mayor Hudson said she does not have a question, but wanted to say she agrees the Manatee Center fulfills the mission of FPUA and it has really stepped up its game. She said it is now known world-wide and in its current stance they are doing a lot more educating beyond management about clean water and all kinds of things that are happening in the lagoon. She is enthusiastic and supports this.

Mr. Matthews said he fully agrees and has gone over and watched the movements of persons attending and it is one of our communities proud projects. He is very pleased with anything we can do to keep it on track.

Ms. Cavalcanti said she has a question for Josh. She asked what it is about the roof and asked if it was 25 years old.

Mr. Gang said that is correct.

Ms. Cavalcanti asked if it is a metal roof and asked if it is already needing to be replaced.

Mr. Gang said Javy is sitting next to him and may be a little bit more up to speed on this. Mr. Gang said his understanding is the roof is nearing the end of its useful life.

Mr. Cisneros said it is a metal roof and it is at the end of its life.

Ms. Cavalcanti said for some reason she thought they were good for about 40 years on the metal roof.

Mr. Cisneros said the new metal roofs do have a longer life expectancy, but this does not. He said it is not the metal roof that is an issue, it is the underlayment that does not have the same life span as the actual roof. The underlayment has either a 15- or 20-year life span and we are more concerned about that than the metal roof. The metal roof is showing its age.

A motion was made by Mr. Matthews, seconded by Mayor Hudson, and unanimously carried to approve the Memorandum of Understanding with the City of Fort Pierce for the Manatee Observation and Education Center, for a period of 25 years with automatic five-year extensions.

Mr. Tompeck said the next item is requesting the approval of the Specific Authorization for Lime Softener 1 modifications and Keith Stephens will make the presentation.

Keith Stephens, Water Resources Superintendent, said as many of you already know, the Water Treatment Plant has two lime softening units. He said Unit 1 was first installed in 1964 and Unit 2 in 1977. We did a major rehabilitation of Unit 2 in 2013-2014 and had also done some on Lime Softener 1 in 2012. Unit 1 was in a mothball state and disrepair and we got it so it is now operational. We are out of time because of the corrosive nature of the lime softening process and harsh environment and we need to do some safety modification and rehabilitation to ensure a safer work environment and provide reliability and redundancy to maintain our DEP permitted firm capacity. This is so important with what we want to do with building the utility and building the water. Staff is asking for approval of Specific Authorization GT 20-05 with Globaltech of Boca Raton, Florida for Lime Softener 1 modification in the amount not to exceed $749,357.69. This Specific Authorization shall commence upon written Notice to Proceed and end upon final completion and written acceptance by FPUA, contingent on receiving required Certificates of Insurance.

A motion was made by Mr. Bey, seconded by Mayor Hudson, and unanimously carried to approve POA 14-53: Specific Authorization No. GT 20-05 with Globaltech, Inc., of Boca Raton, Florida, for the Lime Softener 1 Modification in an amount not to exceed $749,357.69. This Specific Authorization shall commence upon written Notice to Proceed and end upon final completion and written acceptance by FPUA, contingent on receiving required Certificate(s) of Insurance.

Mr. Tompeck said the next item is the January Financial Operating Results and Barbara Mika will make the presentation.

Barbara Mika, Director of Financial Services, said she will present the year-to-date January 2020 Financial Operating Results. She said we had a year-to-date increase in net position after the City distribution adjustment of $60,000 that would have been a $2.1 million increase in our net position less the adjustment to the City, which netted to the $60,000 year-to-date after adjustment. We have the year-to-date operating income which is down from the same period last year by $1,221,000. This is due to the across the board increases in operating expenses, excluding the purchases for resale. The primary contributors to that increase were the salaries and wages, employees' insurance, retirement, and maintenance/service contracts.

Mrs. Mika said the electric operating revenues less power cost and consumption in FY 2019, the revenues less the power cost were up 3% from FY 2018 and the consumption was up from FY 2018 by 4%. She said FY 2020 revenues, less power cost were down by 5% from FY 2019 and also the consumption fell 5% from last year. For the water operating revenues and consumption for FY 2019, operating revenues were up 5% from the previous year and this was due to water rate increases on 10/1/2018. The consumption was up 3% from the previous fiscal year. Operating revenues for 2020 were up an additional 5% from FY 2019 due to the water rate increases effective 12/1/2019. FY 2020 consumption was down just 1% from FY 2019. The wastewater operating revenues and gallons billed, FY 2019 revenues show an 18% decrease from FY 2018 and the consumption was almost flat compared to 2018. FY 2020 operating results have leveled off, down just 1% from the previous year and the gallons billed were flat coming in from the previous year. The natural gas operating revenues, less the gas cost and consumption, FY 2019 revenues were down just 1% from the previous year and the consumption was down 4%. FY 2020, the revenues were up 4% and the consumption is also up 5% from previous year.

Mrs. Mika said for the operating income and debt service coverage, our debt service coverage for January 2020 for the twelve months ending January was 2.72, which is down slightly from September where it was 2.85 at the end of September 2019, but still healthy at more than double the 1.25 that is required by FPUA's bond covenants. This is an information only item and requires no action on the Board's part.

Mr. Matthews asked Mrs. Mika to go to page two and look at the megawatt program under the traffic signal street lights and asked if those items come through our municipality purchase.

Mrs. Mika asked his question again because she was looking for the page and did not hear the complete question. She asked if his question was about traffic lights and street lights.

Mr. Matthews said yes on page two under the megawatts.

Mrs. Mika said the megawatts sold on the traffic signals is consistent with the previous years and she is not sure what Mr. Matthews is wanting to know.

Mr. Matthews asked Mr. Tompeck if when FPUA stockpiles street lights and red lights and he asked if they come through our municipality program.

Mr. Tompeck said the City owns the lights and we obviously provide the power and the maintenance of those lights.

Mr. Matthews said he is concerned about the rental and asked if the rental costs is heavier than the purchase costs.

Mrs. Mika asked if he was asking if the cost of the red lights are heavier than the purchase power.

Mr. Matthews said yes.

Mrs. Mika said she is thinking our cost are less than our purchase power currently so it would follow suit with rental lights and with any other service we provide.

Mr. Matthews said the puzzling part of it in his case is where the power that flows and the powers we bill on the rental, he does not see a big difference.

Mrs. Mika asked if he means the one hour pull.

Mr. Matthews said yes.

Mrs. Mika said if they were new services put in then there would be more services for rental lights and the megawatt hours would go up. She said in this current year to date we are a little bit higher than last year, but fairly on track. The current month also for the month of January, the $460 is a little bit behind last year just on the consumption.

Mr. Matthews said on some contracts they put where the developer has a hand in trying to put their fair share in when they come into a neighborhood or build a particular community. He asked if we have a clause for that for them.

Mrs. Mika said this consumption is what is consumed, it is not a matter of whether it is on a developer or a customer on the rental lights. She said the services are read when they use the services and we bill it, they consume electricity and we bill for it.

Mr. Tompeck said it is a voluntary program for people what would like to have rental lights in their neighborhood or whatever. He said it is a separate program from the normal street lights.

Ms. Cavalcanti asked if it was as an example if you wanted an extra light behind your house, then you rent that from FPUA, is that correct?

Mr. Tompeck said correct.

Ms. Cavalcanti said she believes her neighbor has one and it is a separate program.

Mr. Matthews said he disagrees because a street light is one thing and a red light is different. He said nobody is asking us to put a red light up that is done by some kind of traffic control. He does not see somewhere a citizen will say to put up a street light and then who is going to pay for it.

Ms. Cavalcanti said she thought we were talking about the rental lights.

Mr. Matthews said right, we are talking about exactly the rental lights, where you said are volunteer rental.

Ms. Cavalcanti said in her neighborhood, her neighbor as an example, has an additional light behind their house. She said the light is on their property.

Mr. Tompeck said they pay for that as a separate service.

Ms. Cavalcanti said it is not in the right of way like normal street lights are, it is on their own property. She said that is a rental light as her understanding, it is not a traffic light.

Mr. Matthews asked if she was telling him that someone who opens up a store, the building is not theirs, but they can come to FPUA and ask them to put up a light and they are just renters of the property.

Ms. Cavalcanti said it is rental of the light. She said there is a pole and then a light on top of it that somebody rents from FPUA to add additional lighting on their property, as an example. Therefore there is that additional light there and FPUA is charging them for a rental light. She asked Mr. Tompeck and Mrs. Mika if that is correct.

Mr. Tompeck said that is correct.

Mrs. Mika said another thing to note if you are looking at the kilowatt hours that are less this year for the current month and the four months to date, we have put in LED lights. She said the consumption is going to be less because they are using less. FPUA is replacing the rental lights with the LEDs and it is saving some of their consumption on that end.

Ms. Cavalcanti said on page two, it is showing only the megawatt hours used on these rental lights. She said we are not showing rental income, we are showing rental megawatt hours. In this case all it is doing is showing the amount of electricity used, therefore sold by FPUA on these rental lights versus traffic lights in their comparison.

Mr. Tompeck said the next item is the bill comparisons for the month of February 2020 and Barbara Mika will make that presentation.

Mrs. Mika presented the bill comparison for the month of February 2020 and said she will be presenting the monthly update on the comparisons of municipal electric rates in the State of Florida and of the local Treasure Coast utility bills for February 2020. She said in the first graph the comparison of Residential Electric Rates for 1,000 kWh of consumption for the month of February for the 13 municipal utilities, in the State of Florida, which are members of the "All-Requirements Project" (ARP) are displayed and ranked based upon their base bill for 1,000 kWh of consumption. In the graph displayed, we can see where FPUA ranks among the 13 ARP participants. Our February rates at $105.84, depicted with the yellow bar, ranks FPUA with the 4th lowest rate of this group. The next graph displays the February comparison of Florida Residential Electric Rates for that same level of consumption and includes all of the municipal utilities in the state. The data for all of the graphs has been compiled by Florida Municipal Electric Association (FMEA). FPUA's February bill for this level of consumption, at $105.84, has improved its standing by one position since January and two positions since this was last presented with December data, in comparison to the other 31 municipalities in this graph. As of February, FPUA had the 8th lowest rates among all municipal utilities in the State of Florida for 1,000kWh. February brought rate changes for 7 of the 13 ARP participants since January. The overall impact of these rate fluctuations on the averages shown in this graph was negligible for the ARP. With our February $1 PCA reduction it places FPUA $5.87 below the ARP average and $4.99 below the average Municipal rate.

Mrs. Mika said the graph displayed now presents a similar comparison of municipal utility bills within the State of Florida for the consumption of 2,500 kWh. She said in this comparison, FPUA's February bill, at $267.30, which reflects the February PCA decrease, has improved its rank since January to the 13th lowest rate among this group. The average ARP invoice for February was $275.78, putting FPUA $8.48 below that average. FPUA also falls below the averages for all of the Municipal Utilities and the Investor Owned Utilities for this level of consumption. The table displayed is the February comparison of the average residential utility bills on the Treasure Coast.

The comparison includes the bills for electric, water, and wastewater services that a residential customer, with average consumption, would have experienced if they resided in one of these service territories. These figures include all of the applicable taxes and fees and have been verified by staff to actual or historical bills. In this comparison, FPUA's utility bill for services provided inside the city limits is shown in the first column. All other bills in this table have electric services provided by FP&L and water and wastewater services by the locality's provider. The average electric bill for FPUA inside the city decreased in February by $1.03. The electric utility service bills to all FP&L customers experienced a reduction in fuel rate which amounted to an average bill decrease of approximately $4.00 since December. On the water and wastewater billings, St Lucie County implemented a 3% increase on their February bill which added $3.48 to the average customer bill. Mrs. Mika said this item is for information only and requires no action by the Board. However, if you have any questions she would be happy to address them.

Mr. Bey asked if this was Barbara's first meeting acting as Director of Financial Services.

Mrs. Mika said no, she was at the last meeting we had in March, she is just presenting a lot more items all at once. She said Nina presented the quarterlies and the CAFR and now that she is in her retired state, Barbara is now full-fledged.

Mr. Bey said he just wanted to congratulate her.

Mrs. Mika thanked Mr. Bey.

Ms. Cavalcanti said what a great job to see us in the state with all the municipal utilities under 1,000kWh and that says a lot for FPUA. She said it is certainly going in the right direction and we are actually getting very competitive with some of the other utilities. When you look at our electric rate, they are getting closer to FPL, which she would like to also point out that we have a very good track record on getting people back when their power is out. She said this is a good time.

Mrs. Mika said it has been a while since we have been in the top ten.

Ms. Cavalcanti said we will move on to the power cost adjustment, item #7.

Mr. Tompeck said Barbara Mika will make that presentation as well.

Mrs. Mika presented the status report on the Electric Power Cost Adjustment for March 2020 and said she would provide information about March's power cost and updated projections through March 2021. She said 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 March was billed to

FPUA at the rate of $68.50 for 1,000kWh and this was a decrease of $2.67 as compared to the billing for February. In March, FPUA experienced an under-recovery of power costs from the customer of $302,289. The cumulative over-recovery as of March 31, 2020 was just shy of $4.3 million. In the chart presented, the bars depict the balance of the PCA over-recovery and the dark blue line represents the PCA. The PCA is currently set at negative $11.00 per kWh and 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. Mrs. Mika said these projections have been prepared by Raftelis Financial Consultants, which in turn were based on projections prepared by Florida Municipal Power Agency. Since the February forecast, FMPA's estimate of the cost of purchased power for the upcoming 12 months has increased by 3.8%. The next graph takes a look at the PCA trending through March 2021. While this a long-range look 12 months out, we can see that in in April and through into the first quarter of FY 2021, the PCA over collection is expected to remain in the targeted range between the $1 million and the $4 million range of over collection. In the most recent four months' from December through March, FPUA has experienced under-recovery from customers of over $950,000 in the past four months. The trends that are projected here show three scenarios 1) with "no change" to the PCA noted by the grey line, 2) a $2 reduction shown by the green line and 3) a one-time decrease of $25 in the PCA for the month May and then returning to the current -$11 PCA. Mrs. Mika said it is the recommendation of staff that the PCA remain unchanged at this time. She said we will continue to evaluate updated projections and report to the Board each month. This item is for your information and if you would like to discuss this further, Mr. Tompeck and I will address your questions or comments.

Mr. Tompeck thanked Barbara and said he thinks this is the appropriate time to discuss how we can help our customers through the Covid-19 pandemic. He said part of the difficulty in determining this plan is we don't know how long the effects of the pandemic will last. On April 5th, he sent the Board a note on options we can adopt to help our customers. Mr. Tompeck said that Barbara has summarized those very well on the graph. The one-time reduction of $25 to the PCA in May and a $2 reduction in the PCA starting in May and continuing until an adjustment is required to keep us in the operating range. Both these options cost ~$1.1 million and based on current projections, would require an increase in the PCA in the November-December time frame. In addition to these two options, we also thought about waiving late fees and charges. We would also set up a no interest payment plan to help our customers who need additional time to recover. Staff's recommendation is the $2 reduction to the PCA which will provide longer term relief to our customers. With that background, he would like to open the floor to the Board for discussion and any recommendation you would like to see implemented. If the Board wishes, they can make a motion and approve a change this afternoon. Mr. Tompeck said he would turn it back to Ms. Cavalcanti.

Mr. Matthews said he will take the lead because he thinks we need to help the rate payers who are struggling and knowing there are a few bad apples in the mix. He said we should make every

effort and he spoke to the Director himself about it and 100% try to move with whatever our priorities will be.

Ms. Cavalcanti asked Mr. Matthews what his suggestion would be.

Mr. Matthews said his suggestion would be item 3 and is puzzled by one thing. He asked if we do the $25 for May and then do we move into item 3.

Mr. Tompeck said we have the two options and then the other items are associated with both options. He said in other words, whether we do the $2 reduction to the PCA or the one-time $25 reduction. We would still go ahead and take care of late charges and fees and we would certainly be willing to work with our customers on a no interest payment plan if they need extra time to recover. Of course that would not start until the point and time when we are back to what he would consider as normal operations.

Mr. Matthews asked if he also understands if the staff has a recommendation for our consideration.

Mr. Tompeck said yes.

Ms. Cavalcanti asked Mr. Tompeck to go over the staff's recommendation.

Mr. Tompeck said our recommendation for the long term that the $2 reduction in PCA is the right thing to do. He said it does not give us as much immediate relief, but the effects of the pandemic are going to last more than a couple of months. We have looked at and discussed with FMPA what some of the other cities are doing and they are making some fairly significant cuts but they are really only making those cuts for a month or two. Then they are going back to normal. Mr. Tompeck said he suspects the fallout from this is going to last a lot longer so he thinks the long term of $2 is the best bet. He said it also provides a little protection assuming if there is any kind of unforeseen rate increase from FMPA based on fuel cost or whatever.

Ms. Cavalcanti said we could couple that with getting rid of service fees and the payment plan over 12 months, correct.

Mr. Tompeck said he thinks so and we have not worked out the details of the payment plan. He said the longer this goes on and he will talk about it in his comments a little bit later on, some of these folks are racking up some pretty big bills. It may be difficult to catch up in six months, we may have to go to one year or even 18 months. We are still working on that plan, but we will come up with something that will help our customers recover over a period of at least 12 months.

Mr. Fee said the $25 might give relief for just one month and he thinks staff is has the right move to spread the aid over several months to a year, with the waiver of late fees. He said you also

have to keep in mind that during this time we have not seen it yet, but he thinks it is on the horizon that account collections are going to spike a little bit. Giving the $2 relief over several months will be helpful together with the waiver of late fees.

Mr. Bey said he likes the $2 decrease as well and he thinks if we could put together a comprehensive package to help with late fees and that sort of thing will serve the ratepayers best.

Mayor Hudson asked if the $2 decrease a month would be until the foreseeable future.

Mr. Tompeck said if you look at the chart that Barbara just presented, both of them whether it be the $25 decrease or the $2 decrease, it puts us at a point in the December/January timeframe where we would be below the $1 million mark which is the lower range where we want to be. He said we probably, depending on conditions, will want to raise the PCA at that time. You can also see that if we made no change, we would be at the same point in February or so. Whether it is the $25 or the $2 decrease we would probably be in a position where we need to raise the PCA in the November/December timeframe.

Mayor Hudson said if we are talking about a $2 a month decrease right now, we are not setting an end time on it right now, but we might have an end time in mind.

Mr. Tompeck said that is exactly right.

Mayor Hudson said that is not as a dramatic of a relief as a one-time thing. She said one of the problems she has with the one-time thing, is it may be expected in June also. If June goes back up, then all of a sudden we might be perceived as raising rates. Mayor Hudson said the other things talked about which is helping the customer with no late fees. She does not think we should do anything punitive like that, we should be as helpful to the customer as we can in imagining them getting over this rough time without hurting our bottom line. She would be for the gradual $2 decrease and asked if that would make us at -$13.

Mr. Tompeck said correct.

Mayor Hudson said then everything you said to help the customer she would agree with.

Mr. Tompeck said the other flexibility the $2 gives us is that if we get a month or two down the road and there really are severe problems we can go back and make a further reduction and still be relatively healthy. He said we may find out the recovery is more difficult than the one month or the two months. We may find three to five months down the line that there is really some problems we will have some flexibility to do more then than if we reduced it to $25 right now.

Ms. Cavalcanti said we need a motion and a second.

Mr. Matthews said he is going to be brave enough and have the Board help him out.

A motion was made by Mr. Matthews to take the staff's recommendation to take the $2 a month reduction in the Electric Power Cost Adjustment and waive the late fee charges during the COVID-19 Pandemic until further notice. The Electric Power Cost Adjustment (PCA) will change from -$11 per 1,000kWh to -$13 per 1,000kWh, effective May 1, 2020. The motion was seconded by Mayor Hudson and unanimously approved.

Mr. Tompeck said the next item is a resolution, which establishes and installment program for CIA charges and Javy Cisneros will make the presentation.

Mr. Cisneros said he is requesting the approval of Resolution UA 2020-05 to establish an installment payment program for expansion and reliability improvement projects for water, wastewater, electric, and gas. He said currently, any expansion project or reliability improvement project is funded by either FPUA or the property owners, but not both. The property owners can finance a project through the St. Lucie County's Municipal Benefit Services Unit (MSBU) Program. Under the MSBU Program, the costs are spread over 20-30 years on the property taxes with interest. This program works great for projects that require a large capital cost and have other parameters such as environmental issues and these projects must be completed quickly. This resolution provides a great opportunity for FPUA and property owners to work together to complete a project using a combination of FPUA funds and contribution in aid for construction cost from the property owners. Mr. Cisneros said the program will be available for commercial and residential projects for electric and gas, but only residential for water and wastewater. He said the program will be limited each year to FPUA's budget. If funds are exhausted, projects could be scheduled for the following year or presented to the Board for approval within the same budget year. This program provides two options for repayment: 12 months at 0% interest or 60 months at 6% interest. In the event the owner(s) default on the payment agreement, a lien will be recorded on the property for the remaining balance. This provision will protect FPUA and our customers from the associated risks. The maximum amount allowed for financing will be $50,000. This program continues FPUA's commitment to encourage economic growth and expansion of the utility system.

Mr. Matthews asked if the legal department got a chance to review this.

Mr. Cisneros said yes Mr. Koblegard did review it.

Mr. Fee asked if this was mainly for commercial property or is it for residential.

Mr. Cisneros said it is for both, commercial and residential property.

Mr. Fee asked for most of these hookups for residential what the cost was for water and wastewater, just out of curiosity.

Mr. Cisneros said the cost of hookup is a little bit of a different question. He said we already have a program in place for Capital Improvement Charges (CICs) and we have an installment payment program for that. It is a unit cost that has been approved by the Board and that is for acquiring capacity to connect. This resolution is a little bit different and is for the construction costs related to installing a water pipe or electric line within the right of way of an existing development or a new development. Mr. Cisneros said he can follow up with Capital Improvement Charges and send those numbers to Mr. Fee.

Mr. Fee said that is fine, but this is for a much larger project, not for each individual home owner. He asked if it would be more for a developer.

Mr. Cisneros said this does not include development, for example we already have a project in the works now that has been in the books for 15 or 20 years. St. Lucie Village has looked at undergrounding a portion of their electric so those residents that live along those corridors would be involved in paying for some of the cost for construction to take it from overhead to underground. It is that type of development, not a brand new housing development, those are done through supply agreements and managed by the Water and Wastewater Engineering Department and Mr. Hutchinson.

Mr. Fee okay he sees how it is used and thanked Mr. Cisneros.

A motion was made by Mayor Hudson, seconded by Mr. Bey, and unanimously carried to adopt Resolution No. UA 2020-05, which establishes an installment payment program for Contribution In Aid charges for the expansion or reliability improvement of Water, Wastewater, Electric and Gas Systems.

Mr. Tompeck said most of the FPUA employees are working successfully from home. He said all FPUA employees coming to the office are being screened prior to entering the workplace at all facilities. So far the screening has identified one person who had a temperature above 100 degrees and he is currently going through the pandemic protocol that we have established. We have no identified cases of COVID-19 at FPUA to date. FPUA is implementing the Families First Coronavirus Recovery Act which went into effect on April 1st. To date we have five people that have taken advantage of the program with 225 hours expended. This only applies to people who cannot work from home and are unavailable for call in and meet the criteria of the act. This really has no financial impact to FPUA.

Mr. Tompeck said staff has been reviewing the government's guidelines for "Opening Up America Again". He said it is a phased approach based on "gating" criteria. It is our understanding the

"phasing" would be identified by the state or county. Our current thoughts are we would open the lobby in Phase II, which is about the same time they would re-open the schools, restaurants, and some other things. Prior to re-opening the lobby, we are working on some physical modifications to the lobby. Plexiglas is being installed for the protection of our customer service reps and our customers. We are also improving the air quality in the building by installing H2O2 scrubbers and ionization units and also reviewing all our protocols in terms of how the customers would flow through the lobby and social distancing protocols we need to put into effect.

Mr. Tompeck said we do not have a lot of detailed information available to give the Board on the effect of the pandemic to our finances. He said we do not have too many data points yet, but hopefully we will have more information on this shortly. Some of the obvious things are our collections are lagging by approximately 20%, our delinquent customer count is higher, and customers eligible for disconnect has grown by about 50%. We anticipate that we will be to a level at almost 3,000 customers that will be eligible for disconnection by the end of April. That is a lot of customers and we are hoping when things come back to normal we can get them back paying their bills and take them off this list. He will be giving more financial information as it becomes available. Our costs to date on COVID-19 are about $200,000 and included in this is an emergency expenditure of about $135,000 associated with the air scrubbers and ionization units. You will see the details of this transaction at the next meeting, but it was critical, based on availability of equipment, that we proceed on an emergency basis to complete the work. It is associated with not only the Admin building, but some of our other work areas that have a significant number of people working.

Mr. Tompeck said a couple of other quick items is our staff is recommending we cut back to one Board meeting a month until we have reached Phase II of the "Opening up America Again". He said that will be the Board's choice and whatever you would like to do, we are okay with. We should be closer to normal at that time. Staff is also recommending we cancel the strategic planning session or reschedule it for the late fall. To be honest, we have not had much time to work on it for the obvious reasons and he thinks we will have trouble concentrating much time on it during the recovery effort for COVID-19 in the coming months.

Mr. Tompeck said he would like take a minute to publically thank our FPUA employees. He said, as usual they have stepped up and adjusted well to our new "paradigm" and continued to provide excellent service to our customers. A special thanks to Tom Fryar and the ITS Department who have been instrumental with the seamless transfer of people working from home and helping us set up this virtual meeting.
Mr. Tompeck said on a public service note and Mayor Hudson may want to add to this, FPUA is encouraging the general public to participate in the 2020 census. We will be sending out a bill insert in June to assist in this effort.

Mr. Matthews said he has a question for the Director and he thinks it would be wise if we could put some kind of note in the mail out to the ratepayers so they know we are doing whatever we can do to help them out.

Ms. Cavalcanti said that is a very good suggestion, thank you.

Mr. Tompeck said we will do that and there certainly will be a press release. He said we can post it on Facebook and other social media to let them know what is going on.

Mr. Bey said he has a question for Mr. Tompeck. He asked what percentage of FPUA's customers is in that 3,000 he mentioned the customers that are delinquent right now.

Mr. Tompeck said we are projecting 3,000 by the end of the month. He said he thinks we have in the ball park of 28,000 to 29,000 electric customers, which is a pretty high percentage.

Mr. Bey said he also wanted to thank all the employees and knows it has been a tough time and particularly thank IT for hooking us up so we can have these meetings.

Mayor Hudson said she wanted to say a little bit about the census. She said Fort Pierce is now is at 37% and we need to get that percentage up and in compliance. She is appreciative of the fact FPUA has agree to do a bill insert because it is so important for the next decade of federal allocation of money depends on these census numbers. One of the things the City is now contemplating is doing some PSA that are in Spanish and Creole as well as we are doing some in English. They will be on our government channel and we will try to get them out there because some of the Spanish speaking particularly are afraid of compliance and there is no need to be afraid of compliance. Mayor Hudson said the information particular to a person is not public for 72 years. She said it stays confidential and so one of the things we are trying to do is get the percentage up there. Port St. Lucie has done a really all out push and they are somewhere around 55% right now. The County is doing a big push so Fort Pierce needs to their part too so she appreciates what FPUA has done and agrees to do. She just wants to let everyone know it is really important to complete the census and every person in the household has to be counted. If anybody wants more information on it, she would be happy to supply it.

Ms. Cavalcanti said she would like to make one comment on that and asked what about reaching out to the churches. She said to get them to give out the forms.

Mayor Hudson said we were doing that and she was actually scheduled to go to a Spanish speaking church. She was taking someone from the staff that spoke Spanish right before we were Safer at Home so now we are not meeting. What she has suggested to the staff is we reach out to Father Heime at Juan Diego and Father Geffrard at Notre Dame and ask them to do PSAs for us. They are trusted leaders in that community. We are trying to do some outreach with the churches period, but it is hard to do now because the churches are not meeting or they are

meeting in parking lots. The day has been pushed back, the deadline was going to be June or July 1st, but now it has been pushed back to October. Perhaps we will have a better opportunity to meet in person later on.

Ms. Cavalcanti thanked the Fort Pierce Utility Authority staff because she definitely could never have gotten on this without their help, she appreciates it.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN