MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, MAY 3, 2016 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Michael A. Perri, Jr.; Vice Chairman Glynda Cavalcanti; Secretary Daniel M. Delulio; Deputy Secretary Darryl Thomas-Bey; Mayor Linda Hudson; and Nick Mimms, Ex-Officio Member/City Manager.

Others present: Clayton W. Lindstrom, Director of Utilities; Rupert N. Koblegard, III, FPUA Attorney; Nina Penick, Director of Financial Services; Paul Jakubczak, Director of Electric & Gas Systems; Evelyn I. Walker, Director of Shared Services; and Jason Hoffman, Communications/ Customer Service Manager.

The meeting was called to order by Chairman Perri.

Opening Prayer by Larry Lammers of FPUA Electric and Gas Engineering.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Mr. Perri asked to set the agenda.

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

A motion was made by Mayor Hudson and seconded by Ms. Cavalcanti to approve the April 19, 2016 minutes. Those voting for approval were: Ms. Cavalcanti, Mr. Delulio, Mayor Hudson, and Mr. Perri. Mr. Bey abstained because he did not attend the April 19 meeting.

A motion was made by Ms. Cavalcanti, seconded by Mr. Delulio, and unanimously carried to approve the Consent Agenda.

1. Bid No. 16-27: Approve award of bid and Contract for the purchase of up to 38,280 pounds per year of Ortho/Polyphosphate Blended Liquid (Corrosion Inhibitor) from American Water Chemicals Inc. of Plant City, Florida in an amount not to exceed $16,460.40 annually. The initial term of this Contract will be from May 4, 2016 to May 3, 2018 with two one-year renewal options.

2. POA 14-53: Approve: a) Budget Transfer in the amount of $36,000 and b) Specific Authorization No. GT-16-04 with Globaltech, Inc., of Boca Raton, Florida in the amount of $85,672.39 for the Replacement of the Degasifier Dampers and Blower Supports.

3. POA 16-40: Approve the contract with Membrane Treatment Services LLC of Fort Pierce, Florida, in an amount not to exceed $90,000, for the single source purchase of SCADA and PLC Programming and Maintenance Services. The term of this contract will be from May 2, 2016 to May 1, 2019 with no renewal options.

Dewey Hudman of Water Distribution presented the Kubota loader backhoe agenda item that was presented at a previous meeting. He said this is for a medium size backhoe and staff has provided some additional information to the Board that was requested. Water Distribution is in need of replacing a piece of equipment that wears out and it is different operations than what construction people use. FPUA uses them for maybe an hour a day because they can shut them down and do a lot of hand digging and installations in the ground. It is not a continuously running hour meter on the motors and that is why the low hours were showing up. The stress on the machine and the types of loads staff works with using the smaller backhoes has wear and tear affect. Staff has looked into rental equipment in the past and the problem encountered is most of the backhoes available either take a long term rental or they are the large John Deere 310s that FPUA has now. Mr. Hudman said they rent air compressors and other smaller equipment as required, which uses the local vendors. He said they rent when they are having repairs. The type of workload their department has varies from job to job and most of the small services they work on in the dry conditions, they only need the smaller backhoe. When they get into leaks and situations where there is wet soil, the little larger backhoe is needed on the job. Sometimes the backhoe 310 is needed. By that time they are calling on their contractors because of their expertise in handling the larger work load. We try to buy the smaller to medium size backhoes for the use on their jobs. Mr. Hudman said the department's intent is to operate with the smallest amount of equipment needed to get the job done to provide reliable service to our customers and quality to them.

Ms. Cavalcanti asked how old the backhoe was that they got rid of.

Mr. Hudman said it was 14 years old.

Ms. Cavalcanti said then there was a little over 100 hours a year on it.

Mr. Hudman said it had 1,800 hours on it and he did check into the hours. He said that meter had stopped registering somewhere around January 2015 and there were some records prior to that. Everything found after the appraisal on it in February 2015 showed the same hours and our mechanic looked at it this past January and noted the hourly meter had quit working.

Mr. Perri said it is safe to say it did not have any more than 200 hours from January 2015.

Mr. Hudman said he would not disagree with that.

Mr. Perri said it still bothers him a little bit that the equipment was worn out with 2,000 hours. He said now that we have our own in-house service mechanics, hopefully with the existing equipment it can be serviced in-house. Looking at the list of equipment FPUA owns, the New Holland has 1,719 hours on it and is in poor condition. Mr. Perri said these things are built to last longer than that and it bothers him a little bit. Hopefully, with a new system and FPUA taking care of our own equipment, we will have a lot better luck at that.

Mr. Hudman said one of the goals of that department is they are going to improve the record maintenance and make sure all of the periodic maintenance is met on all the equipment such as trucks, cars, and everything we own.

Mayor Hudson asked why FPUA got rid of the old one before we got permission for the new one. She talked to Mr. Lindstrom about it because it did not make sense to her, and he explained that it had already been evaluated as something that was not going to be able to continue to use. There was an appraisal and a buyer for the old one.

Mr. Hudman said it was sold through the auction and originally the plan was to come back before this Board in October of last year when the new Florida Sheriff's contract came out. He said that is where they have been able to buy the backhoes. Kubota had discontinued the model listed last year in the Florida Sheriff's contract and because of the delay of the company in providing the documentation and prices, FPUA could not get a quote on the replacement tractor. They are basically the same tractor, but it is like cars where they change the model and come up with a different price. It was late into this year before FPUA could present the package to the Board for purchase. In the meantime, FPUA had the auction set up and anything we could bring makes it a better auction. There was a large list of items to sell and that helped FPUA to get a better value for the resale of that piece of equipment.

Mr. Perri said besides that, it was not serviceable because of the transmission.

Mr. Hudman said they knew what was broken on it and had an estimate of fixing it, but it was our mechanic's opinion that we should not fix it.

Mr. DeIulio asked if this is a budgeted item.

Mr. Hudman said it is budgeted and is the item that was put in there last year was approved, it was just a matter of what piece of equipment was purchased.

A motion was made by Mayor Hudson, seconded by Mr. Bey, and unanimously carried to approve POA 16-39: The purchase of a Loader Backhoe in the amount of $61,193.65 from Kubota Tractor Corporation of Torrance, California under National Joint Powers Alliance (NJPA) Contract #070313-KBA.

Mr. Lindstrom said the next item is the formal package that was presented to the Board at the prior workshop.

Eve Walker, Director of Shared Services said she is here this afternoon to recommend approval of an overall average 3% pay increase for FPUA employees, not to exceed the budgeted amount of $208,569 for the second half of fiscal year 2016 effective April 4, 2016. With approval of this pay increase, as was stated to the Board during the Compensation & Benefit Workshop, there is no additional impact on the rates as the five-year rate sufficiency for all four utilities included annual pay increases, which equates to cost-of-living increases. Implementation of this year's budgeted increases at the 3% level will help us to keep pace with competitive markets for utility personnel and continue to bring employees' salaries closer to the cumulative inflation rate. Some points to support this assessment provided at the workshop include, FPUA does not provide employees with pay for performance increases, employees' increases are only obtained by annual increases other than promotions of internal staff, and adding additional duties to keep staffing levels low or movement through a formalized progression plan such as our operators or mechanics. Approximately 69% of FPUA's employees are at or below the mid-point of their associated pay range. FPUA is a utility company with a uniquely skilled workforce. Our most comparable employers are other utility companies with whom we compete for competent employees. Some of these include Kissimmee Utility Authority, New Smyrna, Vero Beach, and Florida Power & Light all of which have either given or budgeted a 3% increase for FY 2016. Kissimmee's increase also includes a merit increase on top of the annual increase. In FY 2015, FPUA was still 22 positions below and a little over $490,000 less in actual salaries and wages as compared to FY 2009. Mrs. Walker said we continue to keep position counts down and employees continue to take on additional responsibilities to enable us to keep this low level of staffing. Even with a 3% pay increase, we would remain below the cumulative inflation rate from 2007 through 2016 by 2% in the comparative raise months. If no increase is given in FY 2016, FPUA would fall to 5% below the cumulative inflation rate. The relative portion of a typical customer bill that covers the cost of a 3% pay increase is $1.27. To reiterate, however, there is no additional impact on the rates as the five-year rate sufficiency for all four utilities included annual pay increases. As a final point, it just needs to be mentioned that failure to keep wages of FPUA employees competitive makes recruitment and retention difficult, would have a detrimental effect on staff skill level, productivity, and service to FPUA customers. Therefore, it is staff's recommendation for the Board to approve an overall average 3% pay increase not to exceed $208,569 for the second half of fiscal year 2016 effective April 4, 2016.

Ms. Cavalcanti asked if the $208,569 represents half the year.

Mrs. Walker said that is correct.

Ms. Cavalcanti said for the full year it is $417,000.

Mrs. Walker said for moving forward for FY 2017 that is correct for the full year.

Ms. Cavalcanti asked if that included benefits.

Mrs. Walker said it is not the benefits, only salaries and wages.

Ms. Cavalcanti said the benefits will go up as a result as well and asked if there was a number for that amount.

Mr. Lindstrom said the retirement piece 16.3% contribution to the retirement fund will be just short of $34,000.

Ms. Cavalcanti asked for how long or what period.

Mr. Lindstrom said it is for the six months, which is the same period this increase is proposed for and the employees will contribute a like amount at the 6%. He said the social security will cost both the employees and the company just about $16,000.

Ms. Cavalcanti said so she will multiply these by two for the full year, the $34,000 and $16,000.

Mr. Lindstrom said the Workman's Comp is $2,900, which is a total of approximately $52,900 for the six-month period.

Ms. Cavalcanti said we are looking at about $522,000 overall additional cost for the year.

Mr. Lindstrom said that would be over two fiscal years.

Mayor Hudson said six months this fiscal year and six months next fiscal year.

Mr. Lindstrom said that is correct.

Ms. Cavalcanti asked if he expects it to have any effect on rates.

Mr. Lindstrom said it would not.

Mayor Hudson said she had asked Mr. Lindstrom that question earlier also and she would like if possible in the future when pay increases are requested, to always include a separate item that says how much the benefits go up. It is a more realistic figure so the Board knows what is involved.

Mr. Lindstrom said he will take note of that.

A motion was made by Mr. Bey, seconded by Mr. Delulio, and unanimously carried to approve the overall average 3% pay increase for FPUA employees not to exceed the budgeted amount of $208,569 for the second half of Fiscal Year 2016, effective April 4, 2016.

Mrs. Walker presented the wages for the FPUA Attorney and Director. She said the 2016 FPUA Director and Attorney Compensation Package is a discussion item for possible action by the FPUA Board and there is no staff recommendation. Compensation and benefits for the Director of Utilities and the Attorney are set at the discretion of the Board. Both the Director of Utilities and the Attorney have indicated that they would be satisfied with the same percentage increase as the average 3% pay increase requested for all FPUA employees which would equate to approximately $7,600, which is salaries and wages only. This is a discussion item and the Board can take action as determined to be appropriate.

Ms. Cavalcanti said something came to her attention when the bond refinancing was done and it was the charges by our attorney versus the charges by the City Attorney. She said FPUA's charges for our attorney's fee was $1,700 and the City Attorney fees were over $20,000. Their bond refinancing amount was three times as much, $32 million versus $10 million. If she takes that and pro-rates it and triple the cost of our attorney's fee, we are still less than a quarter of what the City's attorney cost. Ms. Cavalcanti said she is not saying we should be where the City Attorney is, but she does believe there is a reasonable amount. She said her point is that we do not want to lose our attorney for being under compensated. We have a retainer fee of $89,000 and the overall budget is $125,000 for the FPUA attorney. It does not have to be today, but Ms. Cavalcanti would like to look at increasing the retainer for our FPUA attorney to approximately $100,000. In light of the differences in costs, she believes it is reasonable.

Mayor Hudson said she cannot vote on this, but she would like to know how long it has been since the attorney has had an increase.

Mr. Koblegard said he has been here for 21 years and he has received a cost of living increase along with staff when they received an increase. He has never had an actual raise and his hourly rate is $130 for FPUA. Mr. Koblegard said he may have come close to the $125,000 last year, but historically he has always been under budget.

Ms. Cavalcanti said she would also like to point out that $130 per hour is not a reasonable attorney rate.

Mr. Koblegard said that is what the City charges.

Mayor Hudson said the City charges $135.

Mr. Delulio asked if Ms. Cavalcanti means by reasonable that it is unreasonably low.

Ms. Cavalcanti said that is correct.

Mr. Delulio said if this is something we are going to vote on, he would prefer it to be an agenda item for them to vote on with more detail.

Mr. Bey said the Director of Utilities and/or the FPUA Attorney are not evaluated periodically throughout the year.

Mr. Lindstrom said that is true.

Mr. Bey asked if it is appropriate if they are evaluated as is the rest of the staff or is it because of their positions that should not happen.

Ms. Cavalcanti said she would think they would be evaluated by the Board.

Mr. Delulio said maybe an evaluation and then as part of that a discussion of any pay changes would be appropriate then.

Mr. Bey said he would like to see evaluations as a part of the Director of Utilities and the Attorney.

Mayor Hudson said she feels like we have spent a lot of time on looking at job descriptions for the staff and evaluation where people's pay is as compared to other utilities. She said we draw the lot on that and have not done it this level. Mayor Hudson said she does not have any problem with that.

Mr. Delulio said to add to that, it means all the employees are evaluated and the Attorney and Director of Utilities are evaluated, then it means only five employees of the whole company that are not evaluated.

Mr. Bey said he takes his hat off to the Director of Utilities and the Attorney for agreeing to the same percentage of income increase as the employees. He said that says something about their character.

Mr. Perri asked if there is an evaluation form set up that can be used.

Mr. Lindstrom said there is not one he could find for this Authority.

Mr. Perri said at one time when he first got on the Board it was talked about an evaluation of the Director, but not the Attorney.

Attorney Koblegard said historically he does not think the Director or the Attorney have had that in 21 years.

Mr. Perri said there was some talk about it, but it never went anywhere.

Attorney Koblegard said there is no reason not to do one, if that is what the Board wants to do.

Mr. Delulio said right before Bill Thiess retired, he had put all that together with Board policies and procedures in place. He said there is something out there Bill spent a lot of time putting it

together over the last two or three years when he was the Director. Mr. Delulio said when he got on the Board he asked about Policy and Procedures for the Board. He said we could probably take what Bill was putting together and make some small changes to it and adapt what he had done.

Mayor Hudson said she would like to ask since we know what the Attorney and the Director do, if they could write a report what their jobs consist of. She said the Board sees Mr. Lindstrom and Attorney Koblegard in action at these Boards, but they pretty much do their jobs without the Board seeing that. From time to time she has asked them about how much time something takes and where do they spend their time and that would be educational for the Board. To start off instead of using a form, maybe we could get a report of basically what their job consists of and a general idea where they spend their time. It would be educational for her.

Mr. Lindstrom said he would be willing to do that.

Mr. Perri asked when they could expect the report.

Mr. Lindstrom said Mr. Delulio referred to Mr. Thiess' efforts and he has several files and an entire computer file full of both policies and procedures of other utilities and similar entities. He has started to weed through those and develop one that fits this organization. He did not feel comfortable doing that when he first got here, but now he does and he could probably have that put together by not the next meeting, but the one after that.

Attorney Koblegard asked if the Board wanted their letter before that.

Ms. Cavalcanti said maybe with the packet.

Mr. Perri said with the packet two meetings from now.

Mayor Hudson said if the Board does make the change, it should be retroactive like what we did for the employees.

Barbara Mika, Finance Controller presented the bill comparisons for the Month of February 2016. She said this is February's comparison of residential electric rates compiled by the Florida Municipal Electric Association (FMEA). The graph displays municipal electric utility bills in the State of Florida for usage of 1,000kWh and FPUA's relative position as compared to the other municipal electric utilities in the State of Florida. FPUA has maintained the ranking that was attained in January and remains in the 22nd from the right on this comparison. Also shown on this graph is FPUA's bill for the month of April displayed in blue to show where we would be with the $2 reduction in the PCA that is currently in effect as of March 1. At $109.84, FPUA's electric rates for 1,000kWh are below the All Requirement Participants, (ARP), Investor Owned Utilities (IOU) and Municipal averages. Since January, eight utilities have increased their bills and nine have decreased their bills. Most notably an increase with the City of Starke reflected an increase

of $12.70 and the City of Havana with an increase of $6.62. Mrs. Mika said the 2,500kWh comparison displays FPUA's position, which has improved two positions since January and is now 20th from the right on this comparison. She said FPUA is also displayed in the February comparison with the rates in effect for the month of April inclusive of the reductions in the PCA for March and April. The April bill is currently $5.00 lower and would improve FPUA's standing yet one additional position. FPUA's bill for the month of February at $277.30 also falls below the averages of both the Florida Municipal Utilities and the Investor Owned Utilities. The next table displays February's comparison of residential electric, water, and wastewater rates as compiled by Finance staff and it shows the comparison for Fort Pierce, Port St. Lucie, St. Lucie County Utilities, Vero Beach/Indian River County, and Martin County utility bills. All calculated bills include applicable taxes and fees and have been verified to actual bills. Electric service for Port St. Lucie, St. Lucie County, and Martin County is provided by FPL. The FPUA total bill shown is 1.3% lower than Port St. Lucie and 3% lower than St. Lucie County Utilities. The electric only portion of the bill for Fort Pierce is $12.32 lower than Vero Beach, which is about 9.5% lower than Vero. This is an information only item and no action is required by the Board.

Mr. Delulio said for Martin County there is a note that customers pay no utility tax or fees.

Mrs. Mika said that would be for the water and wastewater.

Mr. Delulio asked if they had the same taxes and fees as FPUA what would their bill be.

Mayor Hudson said the maximum you pay for electric is 10% tax.

Mr. Delulio said then there is the 6% that goes to the City.

Mr. Lindstrom said you could generally add 16% to that number.

Mr. Delulio said that is what he did and he got almost $200 that goes on the whole bill.

Mr. Lindstrom said he believes some of their fees are also included in their property tax assessment as well. He cannot verify that, but that is what he was told.

Mr. Delulio said it is the same with St. Lucie County Utilities. He said if they had the fees and taxes, their bill would probably be $240 instead of $209.

Ms. Cavalcanti asked what fees he believes are on the Martin County bills.

Mr. Lindstrom said he does not know specifics, but he was told some of the property tax included utility fees in their property tax assessment.

Ms. Cavalcanti said it includes its garbage, which FPUA does not have on here. She asked about Clewiston because she does not remember them doing so good in the past and asked what is going on with them.

Mr. Lindstrom said Clewiston is a very small utility and they are dominated by the sugar industry so they are most likely in the industrial and commercial business that is subsidizing their rate schedule.

Ms. Cavalcanti said she does not remember them being in the number one position with that low of an amount.

Mr. Lindstrom said they do not take advantage of the adjustments on their purchase power as often as FPUA does.

Mayor Hudson said Vero Beach/Indian River County has 60% of their customers outside of the City and they pay a surcharge. She asked if the table reflects Vero Beach or Indian River County.

Mrs. Mika said it is Vero Beach Utilities, but it is outside the City.

Mayor Hudson asked if inside the City would be less.

Mrs. Mika said the City would pay the utility tax, but would not have the franchise fee.

Attorney Koblegard said he was looking at the 1,000kWh and when he looks at FPUA's yellow column and to the left is Starke and Orlando beating FPUA by $0.40 each. He said when you go to the 2,500kWh, Starke and Orlando jump way up with Orlando going way to the right and Starke goes 4th from the highest. Mr. Koblegard asked if that means we give a better break to the people using a smaller amount.

Mayor Hudson asked or are they giving a hefty charge if you use more.

Ms. Cavalcanti asked if FPUA has a break off point at 750kWh.

Mr. Lindstrom said FPUA's break is 750kWh and the majority of the others is 1,000kWh so in essence FPUA is giving a conservation rate. He said the smaller users and the larger users in the other utilities as you will see in the water rate schedules for the Martin County area, the larger users pay an exuberantly larger amount percentage wise.

Nina Penick, Director of Financial Services, presented the February 2016 Financial Operating Results. She said the our year-to-date increase in net position after the distribution adjustment was about $500,000 and that was down about $1.3 million from a year ago. Most of it is attributable to the decrease in the capital contributions. Although our operating income is down slightly, our operating revenues were up primarily as a result of increased electric consumption. The cost of purchased power was up $500,000 and the purchased gas cost was down about $200,000. Depreciation is up about 8% for the five months ending February. Although the revenues were down 5% from 2014 to 2015, they bounced right back up that same 5% from 2015

to 2016. Although the consumption was down from 2014 to 2015 3%, in the first five months this year versus last year, we are up 8%. Water operating revenues are on a gradual rise of 3% from 2014 to 2015 and 4% from 2015 to 2016. The consumption netted those two years was down 1%. The wastewater operating revenues from 2014 to 2015 had an increase of 1% and 2% increase from 2015 to 2016. The gallons billed was up 1% over the two year period. The natural gas system had a very good year in 2015. The revenues went up 10% from 2014 to 2015, but dropped 9% from 2015 to 2016. The gas consumption was up 11% from 2014 to 2015, but down 15% from 2015 to 2016. This is a result of the gas contract consumption, which over the last year with the consumption being down 28% and it resulted in a 19% decrease in the contract revenue. Mrs. Penick said the overall health of the organization can be measured by looking at the operating revenue on a rolling 12-month basis and the amount of debt FPUA is paying we have a bond covenant that says we must maintain a debt service of 1.25. Our debt service ratio is 2.59 and that is more than double the 1.25. This is an information only item and no action is required from the Board.

Paul Jakubczak, Director of Gas and Electric Systems presented the Quarterly Reliability Update through March 2016. He said technical difficulties did not allow him to bring his zip drive so the report is in front of each Board Member. This is the 12-month average for reliability statistics. FPUA's SAIFI numbers, which are the average number of incidents that someone could experience on our system is 0.561. This means the average customer is going to see a half an outage. The second number is CAIDI is for those that did see an outage, they would experience roughly an 83.7-minute outage. This went up a little bit, but we had some difficulties in January with some extended outages as well as in March. It is over a 12-month period so as bad months roll off, the good months roll in. The SAIDI number is the average of the total number of minutes customers are out across our entire customer base, the average customer would have seen about a 46.9 minute outage. Mr. Jakubczak said this up from last month by about four or five minutes. The next page in the packet is the comparison from FPUA, the FMEA average, and FPL's 2014 data. He said when FPL's 2015 data report is given to the Public Service Commission, he will change the numbers in the graph. The comparison that FPUA gets from FMEA on a monthly basis shows how FPUA compares to other municipalities in the State. The averages for the medium and large is where FPUA is and we are pretty well off such as most municipalities see over an outage per customer and FPUA is at one half of that average. We are working on trying to reduce the length of the outages and by doing that we are trying to improve these statistics as well as the customer service during the outage as well. This is an information only item and no action is required of the Board.

Mr. Lindstrom presented the Significant Accomplishments for FPUA April 2015 – 2016. He said the enclosed is a snapshot of the significant accomplishments over the last twelve months and is a sampling of the accomplishments FPUA employees have done throughout this year. The Board should be proud of it and he certainly is.

Ms. Cavalcanti said this may be Mr. Lindstrom's essay as to what he has done this past year.

Mr. Lindstrom said it has his initials on it, but he has not been responsible for hardly any of it.

Mayor Hudson said she likes that we promoted local purchases and bids and that we are trying to use local bids. She said Mr. Lindstrom created a Business Development group and she would like to know who is on that. Partnering with the City to coordinate utility and street projects is a great thing for the City and FPUA and she appreciates that. Mayor Hudson asked if there was an update on the promotional video.

Mr. Lindstrom said they are both still in production and the last he spoke with Barry Moline, he was concentrating on it now that the Legislature is out of session.

Mayor Hudson requested Mr. Lindstrom to ask Mr. Moline the next time he sees him to say that she is asking about it. She appreciates this list that is in the packet.

Mr. Lindstrom said May 1 was the 30th year of the FMPA's All Requirements anniversary. He said if you look over a utility they are 30-year minimum investments and in 50 years the decisions we make today will impact our children's grandchildren. When you take a snapshot, every utility will have a good piece and a bad piece, but over that 30 years, he believes we can be proud we were founding members of that organization. It has accomplished what it has set out to do and the economies of scale are certainly there and the utilities that stayed with their own generation or purchased off the grid sometimes come out ahead, but in the long run this organization is strong and is getting stronger.

Mr. Bey asked where we are with the King Plant site cleanup.

Mr. Lindstrom said the utility piece is completed and we are waiting for the last loan to be verified, which we will sign tonight. He said the FPRA has agreed to that. Physically it is complete from a cleanup site and after the next funding comes through it is believed Cardno may have to come back and do some final cleanup.

Mr. Mimms said it is the hope and strong desire of the City and FPUA as a partner that this is the final round of cleanup for the King Plant site. He said the voluntary cleanup tax credits have been put on the market and originally there was a return of about $0.88 on the dollar, but now that has increased to $0.91 on the dollar. We are getting a much better receivable for that sale and those will be appropriated to paying down the debt for the loans we have used for the cleanup. Mr. Mimms said staff is anxious to get the cleanup completed and to work with FPUA and the FPUA Board to start marketing the property. He believes staff should work together on some sort of community input because they want their voices heard as far as what will be there and what is the future of the entire area between Edgartown, the Marina, and Historic Downtown. Mr. Mimms said they definitely want the input of FPUA on how to market it successfully together.

Mr. Perri said he hopes we can get the Centralize Fleet Management Department up and running very efficiently. He also was wondering about the school district mentoring program and asked Jason Hoffman if there was anything going on there. His concern is trying to get young people involved in wanting to work for FPUA.

Mr. Hoffman said Lois Wolfe is working with Career Source Research Center on internship with the youth to come in and partake in that. He said it is with the school system.

Mr. Perri asked if it is ongoing.

Mr. Hoffman said it is ongoing and we continue to do the STEM Program and Mr. Jakubczak is doing a lot talking with Fort Pierce Central High.

Mr. Mimms asked if it is possible to reach out to Fort Pierce Westwood High School. He said we need to embrace that high school as well if it is possible.

Mr. Perri said he believes we can do that.

Valerie Schulte, Water/Wastewater Supervising Engineer, said James Carnes, Bo Hutchinson, and she about one month ago spent two days at Westwood High School. She said they talked to all their beginning environmental science students that were freshmen and sophomores. The teachers all enjoyed it and some questions came out of it. Mrs. Schulte said they told them what we do at FPUA and there was some interest. She knows they will ask them back next year.

Mayor Hudson said if there are other opportunities to work with them because that is a high school that could really use it.

Mrs. Schulte said they offered them if they ever want to take a tour of FPUA facilities and they did say they were going to do that also.

Mr. Hoffman said that Tom Fryar has been heavily involved with the School District with their IT Program.

Attorney Koblegard said the next item is the last anticipated loan of the Treasure Coast Regional Planning Council (TCRPC) and it is being done the same way as it has been done in the past. He said we will post a $300,000 CD at Harbor Community Bank to secure as collateral for the loan. So far we have always earned more than that in interest and we have had to pay the TCRPC interest on the loan so we have come out a head interest wise for the money sitting there. Mr. Koblegard said he is required to give an opinion letter and the bank provides the forms for all the documents. He said they will meet at Harbor in the future to sign the documents to guarantee the loan and that takes care of it. As far as the Board approving this if they decide to, the recommendation is given on the front page of the agenda item and it covers everything we would

be required to do at the bank. He will get a certified copy of the minutes once they are signed and furnish that to the bank. It satisfies Mr. Fee, who is there attorney that it was passed properly by this Board. The expenses FPUA has to pay is the TCRPC attorney, a flat charge of $2,500, the City Attorney, and Mr. Koblegard's charge for the opinion letter. Those are all the cost and those are minimal and the $2,500 is the most out of all of them.

A motion was made by Mayor Hudson, seconded by Mr. Bey, and unanimously carried to approve Irrevocable Letter of Credit through Harbor Community Bank in the amount of $300,000 as security for a loan from the Treasure Coast Regional Planning Council (TCRPC) for cleanup of environmental contamination at the H. D. King Plant site and authorize Chairman or Vice-Chairman and Secretary to sign the Contingent Promissory note authorizing the Irrevocable Letter of Credit, and any other approved documents needed to complete the transaction.

Attorney Koblegard said in the past FPUA owned property there and all of that was conveyed to FPRA because they would be considered a wrong doer possibly and could not take part in the loans. He said the FPRA owns it. The pieces on the west side of 2nd Street have easements in place for FPUA on those parcels since we did not own them anymore. There was one where the City wanted to consider a swap of a part that FPUA owned for a walkway or something along the backside for the railroad. Attorney Koblegard said he believes that was done and as part of that there are easements in place on everything we needed west of 2nd Street and he will check on that. He said on the front side of the King Plant on Indian River Drive, FPUA has facilities there mainly on the northeast corner. We met there with the City one day to discuss that and basically on a handshake because he does not remember anything from the City Attorney's office documenting it. It was agreed until the City knows what is going to be there, the City cannot give an easement for that parcel. If is ends up being a lobby of a hotel, the facilities there would have to be relocated in some fashion. There is no easement of record for what FPUA has on the east side and it should be documented so it is not missed when the City contracts with the potential buyer. As far as that, it is assumed when the site plan is approved it would be part of it. It is very important because the plan was to incorporate the cost if we have to relocate to the developer's costs and not FPUA. We need to be sure and not miss that going forward.

Ms. Cavalcanti asked if we would have to relocate the lift station.

Attorney Koblegard said there are a lot of pipes in the ground and he is not sure if they are electric, sewer, or water and it may be a combination. He said it is extensive. If that is just going to be a grass area and as part of the development, then that would be fine and we could get an easement. If it is part of the building site and something has to be relocated, we would need to make a deal with the developer to pay for relocating it because it will pretty costly.

Mr. Mimms said he agrees with Mr. Koblegard's assessment and he believes when they move forward with the development ideas and opportunities and promote the development of the area, we should incorporate every known fact about the entire area. He said this would include the major lift station, the underground utilities along the east side, and also the parcels along the west side of the street as well. Some are owned by FPRA and some are owned for the use and

benefit of FPUA. We can come together and get a generalize strategy of all the parcels and then present it to the private market and see what they have for us. There may be screening opportunities for the existing facilities and there may be relocation opportunities. We do not know what the private industry holds for us so we need to put it out there to see what occurs. The private market is getting a lot stronger and there have been great investments in this area and Mr. Mimms believes that is a prime location for future development. He said it could be a cornerstone for development of our downtown. The City is ready to work with FPUA on this.

Mr. Perri asked who the parties would be to get together to identify all of these things.

Attorney Koblegard said if we had an easement recorded it would definitely show up in the title search, but without it, it is not of record. He said as long as the City and FPUA know that it is there and it has to be resolved, once we find out if we can leave it in place, then we can get an easement for where it is. If we have to relocate, we would have to get a new survey to show where it will be relocated and go from there.

Mayor Hudson said it is on the record because it will be in the minutes and we will give the City Attorney a copy of the minutes and then it will be on the record.

Mr. Mimms said his staff has been working very well together with FPUA. He said Mr. Lindstrom and Mr. Koblegard work very well together with him. We can come together as staff and bring the information and it can be presented to the two Boards together.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN