MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, MAY 7, 2019, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Vice Chairman Glynda Cavalcanti; Secretary Daniel DeIulio; Deputy Secretary Charlie Frank Matthews; Mayor Linda Hudson; and Nick Mimms Ex-Officio Member/City Manager.

Excused: Chairman Darryl Thomas-Bey

Others present: John K. Tompeck, Director of Utilities; Rupert N. Koblegard III, FPUA Attorney; Nina B. Penick, Director of Financial Services; Paul A. Jakubczak, Director of Electric & Gas Systems; and Javier Cisneros, Director of Utility Support Services.

The meeting was called to order by Vice Chairman Cavalcanti.

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

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

A motion was made by Mr. Matthews, seconded by Mr. DeIulio, and unanimously carried to excuse Darryl Thomas-Bey from the meeting today, he is out of town.

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

A motion was made by Mr. DeIulio, seconded by Mr. Matthews, and unanimously carried to approve the Minutes of the Regular Meeting of April 16, 2019.

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

1. Approve Post Budgeted Project/Budget Request for CAST school renovations and additional electric services in the amount of $77,500.

2. Approve POA 14-53: Budget Transfer Request in the amount of $32,850 and Amendment No. 1 to Specific Authorization No. GT 19-01 with Globaltech, Inc., of Boca Raton, Florida, to increase the contract amount from $98,613 to $131,427, for the rental of a temporary generator for an additional three months and for additional secondary electrical work.

3. Approve POA 14-68: The purchase of 25 laptop computers in an amount not to exceed $27,200, from Dell Computer Marketing Limited Partnership, of Round Rock, Texas, under Florida State Contract Number 43211500-WSCA-15-ACS and WSCA-NASPO Master Agreement MNWNC-101, for purchases through September 30, 2019.

4. Approve Budget Transfer Request in the amount of $100,000 to cover additional costs of the Distribution Pole Replacement Project.

5. RFP No. 19-07: Accept Proposals from and approve Contracts for electrical services at various FPUA facilities with James E. Matula Electrical Contractors, Inc. dba Matula Electric, of Fort Pierce, Florida, W.D. Cook Electric Service LLC, of Stuart, Florida and WirenutZ, Inc., of Fort Pierce, Florida, in an amount not to exceed $30,000 annually, for a total of $90,000 per year. The initial term of these Contracts will be from May 8, 2019 to May 7, 2020, with four one-year renewal options, contingent on receiving the required Certificate(s) of Insurance.

6. Approve RFP No. 18-40A: The single source purchase of Honeywell Advanced Metering Infrastructure electric meters in an amount not to exceed $66,582.96 from Elster Solutions, LLC, of Raleigh, North Carolina.

A card was received from Tom Rhodes, Owner of Sunshine Laundry Centers, thanking Kenneth Morris of Water Distribution for his rapid service in getting water back on at his business.

Kevin McDonald of the Water Distribution Department received a compliment from Ms. Oramas concerning the service she received from him in resolving her water quality issue.

Barbara Mika, Finance Controller, presented the Bill Comparison for the month of March 2019. She said this is the March 2019 update on the comparison of electric residential and the local utility bills. The first graph displays the comparison of residential electric rates for the 1,000 kWh of consumption for the month of March for the 13 municipal utilities in the State of Florida that are members of the "All-Requirements Project" (ARP). As a member of the All-Requirements Project, FPUA benefits by operating as part of a larger group of cities with lower operating costs afforded through the utilization of highly efficient generation and the ability to plan for future operations with lower risks. In the graph displayed, it is easy to see where FPUA ranks among the 13 ARP participants. FPUA has the 7th lowest rate of this group. The next graph displays the March comparison of Florida residential electric rates for the same level of consumption and includes all of the municipal utilities that operate in the State of Florida. The data for all these graphs has been compiled by Florida Municipal Electric Association (FMEA). FPUA's March bill for this level of consumption with our rate unchanged from last month has shifted to the right by

two positions and is now at midpoint in this graph in the 16th position from the left. Mrs. Mika said the reason for the shift in Fort Pierce's standing is there were a couple of very large rate adjustments that were implemented in March. The City of Havana applied an $18.95 rate decrease second to that of Jacksonville Beach which had a $29.84 decrease. A few items on the billing rate changes that have occurred since February, of the 13 ARP participating utilities, six of them experienced rate changes, three of them being rate decreases. Because of the two large decreases, we still have the average rate change that was a decrease of $7.22, which lowered the ARP average by $3.33 to $110.69 that it is now. The combined effect of all the rates changes for all the municipal utilities has lowered the municipal average by $1.47 from last month. The average bill for the Investor Owned Utilities increased by $0.66 and that was due to a $3.95 rate increase by Tampa Electric in March.

Mrs. Mika said the next graph displays a similar comparison for the municipal utility bills within the State of Florida for the consumption of 2,500 kWh. She said in this comparison, FPUA's March bill at $282.30 is unchanged since last month. Rate decreases with the City of Chattahoochee and Williston and an increase with the City of Quincey that took place in March has shifted Fort Pierce's position to the right by one position. FPUA's March bill for the 2,500 kWh of consumption is lower than the average bill for the Investor Owned Utilities in the State of Florida by almost 13%. The table displayed is the March comparison for the average residential utility bill on the Treasure Coast. In this table we are comparing the average 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. This comparison of electric services are provided by FPL for all bills except for the first column for Fort Pierce which represents the customers within FPUA service territory that are inside city limits. The average bill totals include all of the taxes and fees that are applicable in each of these municipalities. The calculation of these average bills have been verified to actual and historical bills. Since this item was presented for the month February, it has been pretty quiet here on the Treasure Coast because all the totals are exactly the same as they were in February. Mrs. Mika said this item is for information only and requires no action on your part. However, if you have any questions she would be happy to address them.

Paul Jakubczak, Director of Electric and Gas Systems, presented the FPUA Electric Reliability update through February 2019. He said this is the 12-month rolling average for reliability statistics ending February 2019. The first number to look at is SAIFI, which is System Average Interruption Frequency Index and this is the average number of interruptions a customer may expect to see over a 12-month period. Currently, we are sitting at .796, which is well below the 1 average we have self-imposed as a goal to set. The next chart shows where FPUA shows up within all the municipalities that submit data to Florida Municipal Power Agency (FMPA). FPUA is under the majority of the averages as well as a lot of the individual municipalities. He said Mr. Tompeck suggested we revise this chart a little bit to show where we are on a quarterly basis

compared to the rest of them. With the next presentation the lower the number, the higher up on the list we will be.

Mr. DeIulio asked if it is correct FPUA is number 5 out of 24.

Mr. Jakubczak said it will show that the next time he presents his report. He said to give you a little sneak peak of it, FPUA is at .796, where a municipality of our size on average is about 1.6. We are a little under half of what the average is for municipalities between 25,000 and 50,000 customers. The next number is CAIDI, which is the Customer Average Interruption Duration Index for those that do see an outage and how quickly FPUA can restore their power. FPUA is roughly 42.13 minutes and the next chart shows where we are at regarding comparison to other municipalities as well as the averages.

Mr. DeIulio said on the displayed chart, it shows FPUA is number 3 out of 24 then and asked if he is correct if they were rated.

Mr. Jakubczak said if he rated them he would have to do the calculations, but Mr. DeIulio is probably pretty close.

Mayor Hudson said Mr. DeIulio probably has already done the calculations.

Mr. DeIulio said he just did the number comparison and it is a pretty good rating the way he sees it.

Mr. Jakubczak said it is and he will get to some other statistics on the back and you will see it is not included in this, but it is a comparison between year ending 2017 and year ending 2018. He said the last number we look at is SAIDI, which is the System Average Interruption Duration Index and this you would be our overall customers, those that were impacted by an outage and those that were not impacted by an outage. We have roughly 33.53 minutes so it is a little over ½ hour we would base our estimated outage restoration time on across our entire customer base.

Mr. DeIulio said then we would be 3 out of 24 on that maybe to finish it out.

Mr. Jakubczak said he believes we will. He said you take tax season away from the accountant and they still got to play with numbers. The next chart is the numbers he was referencing, which are the 2018 year end comparison. The four municipalities are in the first column on the left and FPUA is the last column on the right. The other five utilities are FPL, TECO, Duke, Gulf, and FPUC, which is Florida Public Utilities Commission, he thinks. These numbers are all pulled off their annual PSC reports that have to be submitted and put together by April. As you can see by FPUA numbers, we fall well lower than a lot of them with 0.83 being good and 42.72 and 35.36 overall. The numbers you do not see if you compare to last year's numbers for the average interruptions were 1.11 so we have improved on that. The average duration for those that experienced that

outage was 51.78 and overall was 57.53, so FPUA has done some improvement on those. He said Mr. Lammers and he were just talking about this and what it is attributed to. We are attributing it to a lot of stuff staff is doing, but that is part of it. A lot of it has to do with storms and we have not had a lot of storms. We do respond fairly quickly and you will see during our strategic planning and budget workshop some of the things proposed in the future to keep these numbers as low as possible.

Mr. Jakubczak said the last think he would like to show the Board is something that was talked about during the strategic planning last year in setting goals. He said they set goals for our indices to be between ½ outage to a full outage and we are meeting that goal. As far as our restoration times we are working to make sure our customers have the best service we can supply to them.

Ms. Cavalcanti said when Mr. Jakubczak says storms if he told the Board at one time that hurricanes are excluded from that.

Mr. Jakubczak said major storms are excluded from those numbers. He said these afternoon thunder storms we are getting would not be excluded. We have been fairly safe with those, but have had outages when lightning storms come through and winds blow through, but for the most part when we do have outages, our crews responds rapidly to get the power restored.

Mr. DeIulio said when they were watching the Kentucky Derby horse race the other day and they had just started the race, there was a blip and we missed about half the race.

Mayor Hudson said it goes by quickly.

Mr. Jakubczak said the early part of last week or this week watching Channel 5 News, they were reporting on the weather and all of a sudden the station got hit by lighting. He said everything went down for about 30 or 40 seconds and then they brought everything back up. He thinks it was during Sun Fest when they had the big storm roll through West Palm.

Mr. Matthews said when Mr. Jakubczak is talking about the groups he is comparing with, he asked if Fort Pierce is one of 24 or one of 23.

Mr. Jakubczak said there are two ways that FPUA compares itself. He said we are one of 13 when it comes to the ARP through FMPA, which is our power supplier where we buy all of our power from them. He said we are one of 33 municipalities across the state and these numbers come in out of those 33 how many submit the data to FMPA to be tracked.

Mr. Matthews asked if that is the same when he says 1.11 is in the middle of the road statistic.

Mr. Jakubczak said the 1.11 for the year 2017, our average customer would see roughly one outage per that 2017 period. He said we have brought that down to 0.8 so less than one outage is what our customers experienced during 2018.

Nina Penick, Director of Financial Services, presented the status report on Electric Power Cost Adjustment for the month of March 2019. She said this is information about March's power cost and updated projections through March 2020. The information for this item was not available in time to present it April 16. As you are aware, 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 Florida Municipal Power Agency (FMPA) for the month of March was billed to FPUA at the rate of $79.13 for 1,000kWh. This is a decrease of $2.27 as compared to February. The under-recovery from the customer for the month of March totaled $235,061 and as expected this was the third month of under-recovery. The grand total for the quarter is about $948,000 for the quarter ending March. The cumulative over-recovery was $4,260,096 as March 31, 2019 and this trend is expected to continue. As shown in the chart displayed, the over-recovery is expected to continue to fall. Mrs. Penick said in the next chart, the dark blue line depicts the PCA and the bars depict the balance of the PCA over recovery. She said the blue bars represent actual amounts, while the orange bars depict what the over-recovery would be if the projections are correct. These projections are prepared by Public Resources Management Group, which in turn are based on projections prepared by Florida Municipal Power Agency. Since the February forecast, FMPA's estimate of the price of purchased power for the upcoming 12 months has decreased by 1.5%. Due to the cumulative over-recovery from FPUA's customers, no change to the power cost adjustment is recommended at this time. This item is for information only and requires no action on the Board's part.

Larry Lammers, Electric & Gas Supervising Engineer, presented the purchase for LED luminaires. He said in the past, staff has given the Board a presentation on the benefits of LED, which includes better efficiency, higher lighting quality, and less maintenance to the fixtures in general. In an effort to move forward with replacing all of our customer rental lights with LED luminaires, in October 2018 we put out a Request for Qualifications (RFQ) for the seven different types of lighting fixtures we offer to customers as rental lights. We received a bunch of submittals back from that, created a scoring matrix, and ranked the lighting fixtures that were submitted in response to the RFQ. We selected two or three manufacturers per lighting type to be placed on the quality product list. Once we had the quality product list, we put all those fixtures out to bid, six vendors responded, and we have selected four of them to provide the various types of fixtures to us. Mr. Lammers said with that in mind, we are recommending the Board approve the Award of Bid to four of those vendors in the amount not to exceed $500,000 annually. He said the initial term would start May 8, 2019 and would go to May 7, 2020, with four one-year renewal options.

A motion was made by Mayor Hudson, seconded by Mr. DeIulio, and unanimously carried to Approve Bid No. 18-62A: 1) The award of bid to multiple vendors for the purchase of LED Luminaires to Electric Supply of Tampa, Inc. dba Electric Supply of Tampa, Florida; Stuart C. Irby Company of Jackson, Mississippi; Torres Electrical Supply Company, Inc. of Stuart, Florida, and Gresco Supply, Inc. of Palm Beach, Florida, in an amount not to exceed $500,000 annually. The initial term shall be from May 8, 2019 to May 7, 2020 with four one-year renewal options. 2) There shall be an initial purchase with Irby in an amount not to exceed $33,351 and with Gresco in an amount not to exceed $96,637, for a total of $129,988 to stock inventory.

Mr. Tompeck said Eric Winterstein and he met with Mr. Matthews last week to discuss WEOP. He said we are proud that we have reached the 100-home plateau for this program. While we have a few homes in the pipeline, we need to encourage more applications for the program. Mr. Matthews is going to help set up a community meeting in Lincoln Park, which Eric and John will attend to explain the program and see if we can encourage the submittal of new applications. This meeting will take place in the next few weeks.

Mr. Tompeck said last week we also met with the Fort Pierce Police Department to discuss connectivity and security issues. He said staff has developed a plan which was discussed with them and well received. We will be requesting approval of this plan at the May 21st Board meeting. Mr. Tompeck said he will talk with the Board Members individually with the details of the plan since there are some security issues associated with it.

Mr. Tompeck said we have been working with the DEO on the final grant document, which we received last week and incorporated all of our requests to changes. He said the finalized version along with the proposed MOU with the City was forwarded to Mr. Mimms on Monday. We should be bringing the MOU in June assuming there is no major issues with it.

Mr. Tompeck said the Budget Workshop will be held at ESC on May 17, which is Friday at 10:00 a.m.

Attorney Koblegard said he is processing a multitude of annexations, easements, and signing off on contracts, the UA is busy.

Mr. Mimms said he would like to echo what Mr. Tompeck said, we are working together with our contactor relationship with DEO and hopefully the MOU will be completed. He said we are hopefully going to schedule our joint meeting. He thinks Mr. Tompeck is working with some dates for our joint date with the City Commission and as soon as we get back some information from Mr. Tompeck, we will have the joint meeting. In that way we can strategically plan our visions together.

Mr. Matthews said our attorney called him and said there has been a little change in how we vote. He asked if that is a State Rule.

Attorney Koblegard said it is a State Rule.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN