MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, MAY 16, 2017, 4:00 P.M., CITY COMMISSION CHAMBERS.

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

Absent: Secretary Darryl Thomas-Bey

Others present: Clayton W. Lindstrom, Director of Utilities; Rupert N. Koblegard, III, FPUA Attorney; Nina B. Penick, Director of Financial Services; Paul Jakubczak, Director of Electric & Gas Systems; Bowdoin G. Hutchinson, Director of Water/Wastewater Systems; and Jason Hoffman, Manager of Customer Solutions

The meeting was called to order by Chairman Cavalcanti.

Opening Prayer by Christelle Myrick of FPUA Water Distribution.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

A motion was made by Mayor Hudson, seconded by Mr. Delulio, and unanimously carried to excuse Secretary Darryl Thomas-Bey from this meeting, he is out sick.

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, seconded by Mr. Delulio, and unanimously carried to approve the May 2, 2017 minutes.

William Abramowitz of 5708 Palm Drive, Fort Pierce said he is a retired employee of FPUA and also a customer of water through a third party of St. Lucie County. While he worked at FPUA Mr. Abramowitz said he had the opportunity to work with a lot of utilities around the country and through those discussions many of them realized in the conversations the best municipal utilities always seemed to be the authorities. When they are directly run by the City Commission they tended to drain the finances of the utilities to the ability of that commission and were not able to put money back into the utility, which was important to the health of the utility. With the separate authority it keeps the rotating politicians out of the business of the utility on a regular basis and that again keeps them from financially draining the utility or being manipulated from political purpose, cronyism, or politicians asking for favors for themselves or their friends. Mr.

Abramowitz said the separate authority seemed to always work best when looking at the model of the utilities, which FPUA has the benefit of. He said it also allows you to contribute a fair amount to the City rather than be drained. Some of the City's funds he noticed in a lot of those cities that operated in the red and when they had a utility they operated profitably it helped the rest of the City. One of the things that allows FPUA to operate as a separate authority is you can create your own rules and regulations, which are the resolutions and there is a deposit resolution for commercial accounts 2010-08. It states all commercial accounts should have an average 2-month bill for a utility deposit. In the past, Mr. Abramowitz noticed during his career at FPUA there could have been financial hardships for both the utility and its residential customers had those commercial accounts not been adequately deposited when those business went out of business or bankruptcy. He said the rest of the customers did not have to take that hit, the money was available to cover those accounts. Many times staff had to do a lot of negotiations to get those deposits, maintain deposits, keep them up to snuff, and bankruptcy has affected that as well. One of the things he knows is every commercial customer should be treated the same. Mr. Abramowitz did a recent public records request and the records showed there is a commercial account that has been open for seven months and has no deposit on the location that requires $8,000. He said FPUA is supposed to have that deposit per the resolution within five days and he is talking October 2016 when this business opened. Staff's instructions with the resolutions are to always follow the resolutions. If that is done they would not get in trouble. If you bent the resolution for a good reason, you probably would not get in trouble either, but if you flagrantly violated that resolution you would face disciplinary action. He is not sure what the explanation is in this case as to why the account was allowed to maintain no deposit for such a long period of time, but he thinks the Board and customers are owed an explanation.

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

1. Approve FY 2017 Budget Transfers for the US Highway 1 from Midway Road to Edwards Road project in the amounts of $167,000 for the Water System, $62,000 for the Wastewater System, $70,000 for the Gas System and $117,000 for the Electric System.

2. POA 6103: Approve Contract extension with Evoqua Water Technologies, LLC, of Warrendale, Pennsylvania, for sole source odor control materials and services in an amount not to exceed $37,500, for the period from April 19, 2017 to June 30, 2017.

3. RFP No. 17-11: Accept proposals from and approve Contracts for the Weatherization and Educational Outreach Program heating, ventilation and air conditioning (HVAC) services with Custom Air Systems, Inc. of Port St. Lucie, Florida and Air Control AC & Refrigeration, LLC of Fort Pierce, Florida, in an amount not to exceed $30,000 annually ($15,000 each). The initial term of these Contracts will be from May 17, 2017, to May

16, 2018, with four one-year renewal options, contingent on receiving required Certificate(s) of Insurance.

A picture and email thanking FPUA for the care package was received from Robert S. McDonough, TSgt, USAF who is in the Air Force in Korea.

Bo Hutchinson, Director of Water/Wastewater Systems, presented the Morrison-Cobalt contract for the Midway Road 12-inch water main. He said this project runs from US 1 to 25th Street. It includes the construction of approximately 6,600 linear feet of new 12-inch water main. There are several water main deflections that must be performed as well as some force main deflections and new water services in conjunction with the project. A significant portion of the proposed water main is being relocated at FDOT's expense at areas where FPUA had previously obtained and owned easements. These easements were subordinated to FDOT about one year ago where it came to this Board for approval. The estimated costs was about $120,000 that FPUA expects to have reimbursed from the FDOT for those locations. Approximately 3,400 linear feet of new water main will be constructed from Elm Avenue to 25th Street and will complete a master planned loop to improve system hydraulic capacity in that entire corridor. Mr. Hutchinson said where the new water main crosses the bridge, FPUA has also included additional bridge hangers for a future force main that is in the master plan. He said staff evaluated several options for performing the construction and selected the roadway contractor Morrison-Cobalt JV (MCJV) to take advantage of the efficiencies of having one contractor that is responsible for the entire project. The not to exceed contract amount with MCJV is $1,630,105.23 and approximately $218,000 is needed for in house costs, bringing the total not to exceed project cost to $1,848,000. This is a multi-year project that will start this FY and run through FY19. At this time the executed contract is in route in a car from Miami. We did not get it here in time for the Board meeting; however, it is executed by the vendor and on its way. Assuming this is approved tonight, the contract will go to the Chairman to be executed shortly.

Mr. Mimms asked what the anticipated date of completion of the utilities work as slated in the contract. He said Mr. Hutchinson said FY19.

Mr. Hutchinson said it would be the end of FY 19. He said the roadway projects are all over the place and FPUA is at the mercy of the DOT contract. The DOT contract does run through FY19; however, we would hope most of FPUA's utility work is done before then. The lion share will definitely be done; however, there is always details that have to be done close to the end. There could be valves and minor adjustments that will go all the way to the end. The lion share of the work will most likely be done the end of FY19. There is a significant amount in this year's budget and we will try to get as much done as we can. FPUA is at the mercy of the speed of the roadway work.

Mayor Hudson asked if $1.6 million is this year's amount.

Mr. Hutchinson said no that is the total contract with Morrison-Colbalt.

Mayor Hudson asked if it is budgeted.

Mr. Hutchinson said it is budgeted.

Mr. Perri said he would like to try and answer Mr. Mimms question a little bit more. He said there are weather constraints figured in this contract and that is why we cannot get a real accurate answer. If we have a real wet season, it could delay the project for two to three months. That has happened before on these road projects where weather plays a big part in it.

Mr. Mimms said he appreciates that and thinks we should push Mr. Hutchinson as much as possible. He said so what if it rains, Mr. Hutchinson needs to get the job done.

Mr. Hutchinson said he feels like he is being pushed pretty hard now so what is the difference, bring it on.

Mayor Hudson said she thinks this is one engineer to another.

Mr. Mimms said he has no sympathy to Mr. Hutchinson.

A motion was made by Mayor Hudson, seconded by Mr. Perri, and unanimously carried to approve POA 17-59: Contract with Morrison-Cobalt JV, of Miami, Florida, as a sole source, in an amount not to exceed $1,630,105.23 for relocation of existing utilities and installation of a new 12-inch water main on Midway Road, from US 1 to 25th Street, contingent on receiving the required Certificate(s) of Insurance.

Mr. Hutchinson introduced the new engineer in Water/Wastewater Engineering, Richard Mutterback. He said Mr. Mutterback joins FPUA from West Virginia and is happy to have him on the team as the project manager for this project.

Ms. Cavalcanti asked what part of West Virginia he was from.

Mr. Mutterback said Princeton, West Virginia, the southern part.

Mayor Hudson welcomed Mr. Mutterback.

Mr. Lindstrom said Mr. Mimms should know that engineering is a function of time and money and they are usually inversely related. He said the sooner you want it done, the more it is going to cost.

Keith Stephens, Water Resources Superintendent presented the contract with Allen-Bradley for the PLC equipment. He said this a sole source purchase of Allen-Bradley PLC equipment and a contract with Rexel, Inc. of Dallas, Texas in the amount not to exceed $190,000 and associated budget transfer of $30,000. The current PLC-5 control system has reached its end of service life, has become obsolete, and is no longer supported by the manufacturer. The new Control Logix System will provide better reliability, reduced operating expense and enhanced tuning of the programs in an attempt to increase efficiency and reliability at the RO plant. Rexel, Inc. is the only distributor authorized by Rockwell Automation to sell Allen-Bradley products and related services in FPUA's geographic area. It is staff's recommendation at this time the Board approve the sole source purchase of the Allen-Bradley PLC equipment and the contract with Rexel, Inc. of Dallas, Texas.

Mayor Hudson asked if this is an open ended contract in terms of time.

Mr. Stephens said there are two different systems and staff plans to do $190,000 this year and propose $160,000. He said this is for the RO portion of the PLCs and next year staff will be coming forward with a similar price and project for the lime softening side to tie them all in together.

Mayor Hudson said it is open ended until notice. She asked if it is ongoing.

Mr. Stephens said only this and next year. He said this project will be very easy because it is equipment and installation and they should be able to easily complete it by September 30, 2017.

A motion was made by Mr. Perri, seconded by Mr. Delulio, and unanimously carried to approve POA 17-53: the sole source purchase of Allen-Bradley PLC Equipment and Contract with Rexel, Inc. of Dallas, Texas, in an amount not to exceed $190,000 and associated budget transfer of $30,000. This contract shall commence upon written Notice to Proceed and end on final work requirement. Execution of this contract is contingent on receiving the required Certificate(s) of Insurance.

Mr. Stephens presented the purchase of the reverse osmosis feed pump from R.C. Beach & Association (RCBA). He said this a sole source purchase of a Reverse Osmosis (RO) Feed Pump in the amount not to exceed $160,896 from R.C. Beach & Association. of Dunedin, Florida. A spare RO feed pump is required by the Florida Department of Environmental Protection (FDEP) to increase firm capacity, which is permitted capacity for FPUA. The new spare RO Feed Pump will meet one of the FDEP requirements to increase the firm capacity of the Reverse Osmosis Plant from 6.0 million gallons per day (MGD) to 10.3 MGD. RCBA is the exclusive distributor for pumps and parts of Weir Floway products in FPUA's geographic area. Mr. Stephens said staff recommendation at this time is for the Board to approve the sole source purchase of the reverse osmosis feed pump in an amount not to exceed $160,896 from R.C. Beach & Associates.

Mayor Hudson asked if this is a backup pump.

Mr. Stephens said what staff has to do is what they call firm capacity, they like to call that guaranteed capacity. He said staff wants to minimize the amount of time if FPUA lost a pump and motor, staff could get one of the RO trains back in service. They want it on the shelf and he does not know if any of the Board Members were here at the time when staff did something similar many years ago at the Wastewater Treatment Plant or Water Reclamation Facility for the capacity of the deep injection well. Basically, they want a spare pump and motor on the shelf ready to go.

Mayor Hudson asked if FPUA would put the new one on and leave the other one off.

Mr. Stephens said the one that will be ordered will sit in the warehouse waiting for the old one to wear out or go bad. He said when it does, we will put the new one on. It is very important for FPUA to have this firm capacity and with the development we have going on, we can say we have 10.3 MGD available from the RO plant.

Mr. Lindstrom said this is not the only requirement to get to the 10.3 MGD.

Mr. Stephens said this according to the engineers is the last one. He said we have done some of the other ones in previous years like when FPUA increased the size of our well capacity on the Floridan Aquifer, which is the deep wells for the RO plant. That was done with two of the wells in the wellfield and according to FPUA's engineer, we should be able to go for the permit once we have this in hand to increase to the 10.3 MGD.

Mr. Lindstrom said we have made investments prior to this for this status.

Mr. Perri said he has heart burn with this sole source business. He asked if there are any other pump manufacturers that would compare with the pumps we are now using.

Mr. Stephens said that is possible, but for standardization, FPUA already has this type of pump in the slot. He said instead of having to measure to put a different pump and different motor, these are in kind and can be interchangeable. Staff went with the original manufacturer of the pumps we already have installed at the RO. When we do that, a lot of the manufacturers out there have specific distributors they have authorized to do their work and that is how we get the sole source. Mr. Stephens said he had somebody from supply call him and said they could find a part in Connecticut and Mr. Stephens told him he did not think he could. He said you might be able to find it, but it will not be warrantied from the manufacturer, if it is not ordered through the distributor they authorize. A lot of times, FPUA tries to order it and the manufacturer will say they cannot give us the part because they are not the distributor for the geographical area.

Mr. Perri said it seems like to him you could reconnect any pump because there are fittings to hook things up. He thinks it is worth the trouble of checking out other manufacturers to see if

there is a significant difference in the price that would cause a little heartburn when you start hooking it up, you might have to change a couple of extra fittings.

Mr. Stephens said this is a fairly large pump and motor, but he can see where they can do that. He said what makes it easier with this is we can drop it right in and he does not want to speculate how FDEP would feel about it if they did not have the exact replacement to go in the hole. All of this has to be presented to FDEP.

Mr. Perri said he gives up.

Mr. Stephens said since it has been a while since they did the study, FDEP may change the requirements on capacity, but he does not believe it will be anything big that has to be done.

Mr. Delulio asked what staff does with the old pump when it wears out.

Mr. Stephens said if it is able to be rebuilt, they will rebuild it and put it back on the shelf or we will have to purchase a new one. He said it depends on the condition when it goes out, sometimes you can rebuild them and sometimes you cannot.

Mayor Hudson asked if FPUA rebuilds them.

Mr. Stephens said no they would have to send them off to get rebuilt because FPUA does not have the capability to rebuild these pumps.

Ms. Cavalcanti said she is a little lost on the logic and is not doubting Mr. Stephens on it. She said with this scenario, forevermore FPUA has to use this distributor of the pump.

Mr. Stephens said of this specific pump we do.

Ms. Cavalcanti said that is right because the one we have prior and the replacement is theirs and as we go forward when that one goes out, we have to forevermore get it from one sole source supplier.

Mr. Stephens said for this specific pump that is correct and that is how it is for most everything. He said that is why it is so important when we go to design to build and rehab things that we choose good manufacturers. There are only three different pump manufacturers out there and Mr. Perri knows that with his experience and they are all about the same.

Mayor Hudson said it sounds to her like it is the company and the warranty that is holding FPUA to this.

Mr. Stephens said he is assuming the agreements with the distributors are either paid for or high selling for them so they want to use distributors that are selling their product and is probably how they get their contract.

Mr. Perri said it is a franchise.

Ms. Cavalcanti said or it is a monopoly.

A motion was made by Mayor Hudson, seconded by Mr. Perri, and unanimously carried to approve POA 17-69: the sole source purchase of a Reverse Osmosis Feed Pump in an amount not to exceed of $160,896 from R.C. Beach & Association, Inc. of Dunedin, Florida.

Mr. Stephens said this Specific Authorization GT 17-04 is with Globaltech, Inc. of Boca Raton, Florida in the amount of $1,150,868.40 for the Water Treatment Plant Chemical Storage Improvements. He said FPUA intends to make improvements to three existing chemical storage systems at the Henry A. Gahn Water Treatment Facility to improve reliability and safety. This project consists of replacement of the sodium hydroxide, sulfuric acid and fluoride tanks that have reached the end of their useful life. The existing containment pads will be modified and upgraded and an additional containment structure will be constructed for the fluoride tank. This will centralize all the bulk chemicals at the plant and improve worker safety. Mr. Stephens said this project was budgeted in FY 2017; however, a portion of the funding has been transferred to the failed lime sludge thickener. The remaining funds of $319,000 are adequate to support some of the engineering, construction services and in-house costs that can be expended by the end of the fiscal year. The remaining project funding of $890,000 will be budgeted in FY 2018 to cover the remaining GT Authorization and in-house costs. As was discussed at the last meeting, the professional engineering and design services contract was approved by the FPUA Board in November 2014. The firms were thoroughly vetted during the selection process based on their unique expertise. FPUA currently has eight design engineering firms and three design/build engineering firms that are pre-approved from the 2014 board meeting. Design/build engineering firms own the project from start to completion. If they design and build something and it does not work, it is on their dime to fix it. Mr. Stephens said that is what is so good with design/build contracts and also are very flexible. He has been involved in a lot in the last eight years and if they design something based on what FPUA tells them and it does not work even though they build it based on FPUA's decision, they still accept the responsibility. That is what is good about a relationship with a design build contract. If we just had a design engineer that designs something and a contractor is building it off the design, then they have to decide whose fault it is and go back and forth. A lot of time is expended in that discussion because there is a different contractor and a different design engineer that did the project. Another benefit is institutional knowledge and over the years Globaltech has done a lot of work at the Water Plant and they have a lot of expertise. The big engineering firms are not interested in FPUA's $1 million jobs, which is a lot of money because their overhead is so great, they cannot cover their own expenses. It would cost a lot more if FPUA used some of the bigger engineering firms. Globaltech happens

to be a good expert and has a lot of institutional knowledge at FPUA and they know the standards Mr. Stephens and FPUA requires to how they build stuff. Since this design/build contract is for Globaltech, an example of their accessibility is when FPUA's sludge thickener went down, we contacted Globaltech for a temporary system. On their own dime, they called and found a temporary system, got it ready, and it was in the staging area until FPUA gave them the okay to send it here before they had a contract with FPUA. This is one of the good things about having a relationship with a design/build contractor. Who else would FPUA call about something that is so specialized and a temporary lime sludge dewatering system, they are just not out there. A design/build contractor as a whole from our approved contracts have an incentive to do a good job more than a normal person that is bid out there. The reason they have that is so FPUA will use them again. Somebody that is the lowest bid, comes in and makes the money, and they may never want to come back here even though FPUA tries their best to get the best evaluated bid. Staff's recommendation is to approve the Specific Authorization No. GT 17-04 with Globaltech, Inc., of Boca Raton, Florida, in the amount of $1,150,868.40 for the Water Treatment Plant Chemical Storage Improvements.

Mr. Perri said he believes FPUA's relationship with Globaltech has been ongoing for a long time.

A motion was made by Mr. Perri, seconded by Mayor Hudson, and unanimously carried to approve POA 14-53: Specific Authorization No. GT 17-04 with Globaltech, Inc., of Boca Raton, Florida, in the amount of $1,150,868.40 for Water Treatment Plant Chemical Storage Improvements. This Specific Authorization shall commence upon Notice to Proceed and end on or before May 16, 2018.

Nina Penick, Director of Financial Services presented the status report on Electric Power Cost Adjustment (PCA) for April 2017 with updated projections through April 2018. She said the PCA is the mechanism by which FPUA recovers the cost of power from our customers that is 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 April was billed to FPUA at the rate of $89.17 for 1,000kWh, an increase of $9.17 as compared to March. The under-recovery from the customer for the month of April totaled $1,025,000, which was a result of buying more and selling less at a higher price. There were three different components that went into it. It is really only about $200,000 more than what was projected the month before, but is a staggering number when it goes over $1 million in one month. The cumulative over-recovery was $761,000 as of April 30, 2017. Over the last fifteen months, FPUA returned almost $6 million to our customers. We have consciously been under recovering since February 2016. Mrs. Penick said the graph depicts two PCA options with the green line at the bottom representing $1 increases each month for each of the next 12 months. She said we did not just go out five months as previously recommended, we took it all the way to what is displayed for you. The other option is $2 increases each month for each of the next 12 months. What the Board will see there is if you look five months out to September 2017, the difference in these two different options is a spread of about $500,000. If we were to do only a $1 increase each month, the under recovery

would be about $1.3 million, but if we do $2 increases each month, the under recovery would be about $740,000. Mrs. Penick said the projections are prepared by Public Resources Management Group (PRMG), which in turn are based on projections prepared by FMPA. Since last month's forecast, FMPA's estimation of the price of purchased power for the upcoming 12 months has basically been flat, it decreased 0.2%. The next graph is forward looking only and shows it becoming an under recovery by the end of this month. Each line represents what the over or under recovery collection would be if the projections are correct. The red line represents $2 increases and the green line represents $1 increases each month. This is being presented for the Board's information and it is staff's recommendation to increase the PCA $1 per 1,000kWh, from zero to $1 per 1,000kWh, effective June 1, 2017.

Mr. Delulio asked Mrs. Penick about her discussions with PRMG and what they contribute the 11% increase in the PCA in one month to.

Mrs. Penick said in FPUA's case it was timing because it is the time of the year where the consumption is on the increase. She said we buy more power, but it does not get billed until May. We pay for the power up front and it gets billed out to the customers in the subsequent month. Some of it is timing and that is the biggest component of why the increase is so much. Also, it is the time of the year where FMPA is bringing the cash balances up to 60 days of operating cash, which is required at their level. Not only are we paying current costs, we are also paying future cost to 90 days. FMPA is required to maintain 60 days of operating cash and they recover that through the rates. Conversely, when it gets cooler in the fall, FPUA gets some of that money back, but this is the bad time of the year when those sorts of things hit.

Mr. Mimms asked what the mechanism the general public or rate payers will be notified of this impending increase.

Mrs. Penick said there is nothing special that FPUA does because it is not a rate increase. She said the notification we have here could certainly be used as a bill stuffer. We are not asking approval for all those increases tonight, we are only asking for the upcoming month and consider the next month. We will not have a lot more information at the next board meeting, which will be our June meeting. We will only be able to provide the May actuals, but will not have any information from FMPA to present at the June 6 Board meeting. Mrs. Penick said she does not believe it is published.

Mr. Mimms said the graph shows a downward trend through August 2017 and if we are going with $1 or $2 increases, he thinks it would be best to notify the customers and let them know what is going on.

Mrs. Penick said she agrees.

Ms. Cavalcanti said she is wondering how we have had this so wrong. She is looking back to January 2017 when we were at -$9 on the PCA and remembers staff recommended a $2 decrease

and the Board said to go with $3 because we were afraid. That was February 2017 and she thought a lot of this was predicated on the kind of winter we were supposed to have, which was not going to be very bad. Ms. Cavalcanti said she does not think there has been a huge spike in the price of natural gas so is it FMPA that is causing FPUA all this heartache. She said what she has not liked is to get these big increases in the summer.

Mrs. Penick said FPUA has consciously been under collecting trying to bring the over collection down and it peaked at over $6 million and the Board had agreed that we wanted to stay in an operating range between $1 million and $4 million. She said we have been consciously giving back. Another point is historically the projections FMPA had been providing to us were generally much higher than what the prices turned out to be. However, in recent months one of the graphs in the packet shows that is turning around. In the last five months the FMPA estimates provided were actually less than what the price turned out to be. We were doing fine when the estimates FMPA provided us were over stated, but their estimates have not turned out to be less than what the pricing is actually turning out to be. We did not want to continue to hold the customer's money in the meantime.

Mayor Hudson asked why the projections started to be lower than before.

Mrs. Penick said she would not be able to address that, forward price of natural gas, but that is always built in. She said forward price of natural gas is generally higher than what it turns out to be and perhaps that is the answer.

Mayor Hudson said it is not just this month that turned out to be the perfect storm of bad things happening. She said it is this month and from now and one reason is because FMPA has to have 60 days cash.

Mr. Lindstrom said as recently as November with the -$9 PCA, FPUA was still over collecting at the excess of the $3 million mark. He said FPUA made a conscious decision to drive that down, but it just happened faster than we thought it was going to.

Mayor Hudson said she liked it at -$9.

Mr. Lindstrom said he did too, but we were still over collecting. He just printed off US Henry Hub natural gas price forecast and the low is forecasted for this upcoming season to be $2.50 with a high of $3.70. FPUA was buying gas at $2.11 in the good times. That does have a huge impact on the total rate.

Mayor Hudson asked if Mr. Lindstrom if he knows why that price has gone up.

Mr. Lindstrom said he does not know, but believes it is more political and speculative than it is actual production.

Mr. Perri said somewhere along that space of time they had an unscheduled shut down on the Cane Island unit.

Mr. Lindstrom said that is correct.

Mr. Perri said he believes that probably boosted the price up a little bit. He said we have a fleet of generation and one is on Selvitz Road across from TCEC and there are several of them in Orlando, the Cane Island Fleet. When one of them goes down unexpectantly, there is a little spike in the cost of production.

Mayor Hudson said she is not ready to go beyond one month at a time and would prefer to do $1.

A motion was made by Mayor Hudson, seconded by Mr. Perri, and unanimously carried to approve an increase to the Power Cost Adjustment of $1 per 1,000kWh, from zero to $1 per 1,000kWh, effective June 1, 2017.

Mr. Lindstrom said just before we came in to this meeting, staff received notification from Portofino Landings, which is a residential development north of Okeechobee Road at about 47th Street that they would like to restart their construction activity. He said they are permitted for 400 units and already have approximately 132 constructed that was 2007. They had an agreement that was very similar to the Bent Creek agreement that was proposed to the Board at the last meeting. At this time Portofino Landings have requested that the same type of proposal be available to them and we are recommending that is the case. We do not have the paper work in front of us now, but would like to let the Board know that project is on the books and is ready to go. Staff will probably bring it to the Board in a special meeting or via email since our next Board meeting is not for three weeks. If they desire to start now, we will do that and bring the information item to the next meeting.

Mayor Hudson said the City Commission approved Portofino last night at the City Commission meeting so it is the real deal.

Mr. Lindstrom said it is and FPUA is excited about it.

Mr. Lindstrom reminded everyone of the Public Budget Workshop this month at the ESC building in the War Room, 2nd floor conference room.

Mr. Lindstrom said FPL formerly made an offer to purchase the Vero Beach municipal system at their meeting today. He said two things this Board needs to know is the exit from FMPA will require a unanimous decision from all the ARP members, unanimous decision from all the bond

holders, and all interest parties, which totals approximately 30. This is a long process and Vero Beach and FPL will probably make a presentation to the FPUA as a Board to provide any documentation and information we require for a decision. Another thing that is of value to note is FPUA jointly owns a transmission line and a switching station with Vero Beach and nobody has contacted FPUA concerning transfer of that ownership, if indeed Vero Beach sells their system. It is an item that will need to be discussed as to the value of that system.

Mayor Hudson asked if FMPA has made a proposal to Vero Beach recently.

Mr. Lindstrom said FMPA was requested several months ago to give them an estimate on an exit cost. He said there was a snapshot estimate provided by FMPA staff and one of the bond holders did an independent analysis and came up with a higher number. The last Board discussion at FMPA was to hire a third party independent agency to verify a number.

Mayor Hudson said the Children's Services Council has formed an organization called St. Lucie Reads and they are having an event. She said at First Data Field on Friday night, June 2 people can come to the Mets ballgame free and get a free book to read.

Ms. Cavalcanti requested the information Mr. Abramowicz was talking about, the name of the company that did not put up a deposit so she can respond to him.

Mr. Lindstrom said staff will provide as much information as we can.

Mayor Hudson asked Mr. Lindstrom if he knows who Mr. Abramowicz is talking about.

Mr. Lindstrom said he can speculate or guess. He will peruse our data base and see all the commercial accounts.

Ms. Cavalcanti said it was September 2016.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN