MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, MAY 19, 2020, 4:00 P.M., CITY COMMISSION CHAMBERS.

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

Mr. Fee arrived at 4:06.

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

The meeting was called to order by Chairman Cavalcanti.

Opening Prayer was by Carol Wilson of FPUA Human Resources.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

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

Mr. Matthews requested the minutes be approved separately.

A motion was made by Mr. Bey, seconded by Mr. Matthews, and unanimously carried to approve the WebEx Dry-Run Meeting of April 16, 2020.

A motion was made by Mayor Hudson, seconded by Mr. Matthews, and unanimously carried to approve the Minutes of the Regular Meeting of April 21, 2020.

Public Comments:

Rick Reed of Fort Pierce said last night Mr. Tompeck gave a presentation to the Commission regarding some of the things FPUA was going to do to mitigate issues with the ratepayer. He went back and listened and said there was a comment that was made regarding those individuals that have not paid during this time. He thinks twice a statement was made that there are some that did not pay because, they could of paid, but did not pay. Mr. Reed said he is here both as the owner of a business and also as a member and an executive officer of the NAACP. He said as of yesterday, in conjunction with the NAACP, we provided 20,000 meals in 19 days to our

community. His fellow Board Members have been hands on in handing out those meals. He was born and raised here and knows this community and we need to be careful not only of our residents right now, but our ratepayers and our commercial accounts. He thinks presently there are about 1,500 and he would be very careful to make the statement and Mr. Reed said he does not think it was made in a bad way. He does not think it was made with clear thought. We need to be very careful before we judge any of our ratepayers. There are some in that number that would take advantage of the situation, but the majority of the people today, these are circumstances in which none of us has ever seen. As a business owner, he kept his 19 employees employed the whole time with no assistance or no help from anybody during this time. He was mandated by the government to shut his business down; therefore, he thinks we need to error on the side of caution and empathy to understand what each family and each business is going through during this time. We are in uncharted territory and let's not judge, let's try to help where we can.

Allecia Dixon of 811 Dixon Way, Jensen Beach, Florida said she is here to petition the FPUA Board for leniency. She said she purchased a property here on March 30, 2020 and did not use a title company. The owner of the home had perished about 15 years ago and she bought it from his family because it was getting ready to be auctioned off to keep it in the Fort Pierce area owned by Fort Pierce residences. She is not a resident of Fort Pierce, but she owns her primary residence which was here in Fort Pierce. It was 106 Bedford Drive in Sheridan Plaza. Ms. Dixon said she has always paid her FPUA bill when she was here even when sometimes it was extraordinary high. She always made an effort to make sure her bills were paid. When she went to have the lights turned on at this residency, she was told by FPUA it had a lien on it for FPUA of $5,000 and that she was responsible for that lien. She is not familiar with FPUA policies when it comes to properties and rules because of unpaid bills from previous residents, but in doing some research they told her it was not just the past due bill, but the assessment every month of $49 as it goes up. This individual has been dead 15 years and she is not asking for a favor, she is asking for leniency. She does not have a problem paying the pass due bill that he had when he perished, but to be assessed every month $45 is extraordinary. Ms. Dixon said she feels if she brings the property back up and make it more viable to the community, you will see her bill will never get like that ever again. She really does need leniency of the FPUA Board on this matter and thanked the Board. She said to have a blessed day.

Mr. Matthews said for the record he believes we need to know exactly what property or where the address is.

Ms. Dixon said it is 1508 North 21st Street, Fort Pierce, Florida and it was previously owned by Mr. Freddie Williams who was a resident of Fort Pierce for many years. She said he used to drive a taxi and she is very familiar with the family and been close to them for many years. She knew Mr. Williams as well.

Mario Wilcox of 5227 Oakland Lake Circle, Ft. Pierce said he is a retired veteran of Fort Pierce. He said he had a chance to watch the Commission meeting last night and he too heard the statements that were being made. He feels the statements being made, he is just going to be frank, is out of line and they are unwarranted. This is all of you guys first time facing a pandemic such as this. When the swine/bird flu came out, he was in Europe and he faced the worse lockdown than this and he had a chance to see what those residents went through, the European residents. They pay utilities over there too. He had a chance to attend their town and city hall meetings too and not one time did they charge the residents the way that they did. When the pandemic was over, they were on a clean slate, it went back to business as usual. Mr. Wilcox said what concerns him is when you allow them not to pay their bills because the stimulus check and he assumes the comment was made because of that. He said first off, even though the President of the United States told Congress the stimulus check was not enough, the first round and there is another round coming down party lines. It is not enough when you take into account of the dependencies and everything else like up keep of the house, the kids, the price of food, and the supply and demand. It is micro or macroeconomics 101. To assume someone could have paid their bill and did not and then to suggest that in July they have to pay the full amount out right, that is absurd. Mr. Wilcox said he did research on the person that made the statement and that person does not even reside in Fort Pierce, does not pay a utility bill, does not know what it is like. He said he knows what it is like to pay a utility bill here through FPUA, regardless of where he moves to, he knows what it is like. He knows the constraints, knows the budgets he had to undergo, and each of you know and he said each of you do not close your dowels of sympathy to the people. He said Mr. Bey you know, you have a soul and said he remembers once upon a time you had a soul. Do not let this happen Mr. Bey, Mr. Matthews, Ms. Cavalcanti, Mayor Hudson, and Mr. Fee, all of you profess faith. Thank you.

George Collins, President of the NAACP of St. Lucie County, his address 7203 Pacific Avenue, Fort Pierce, Florida said he attended the meeting and he knows everything that is said is not always what it seems. He said scripture tells you, avoid any semblance of evil so we have to watch our tongue and what we say concerning people. These are not just people, you are talking about people that are your customers and your clients. You have to deal with them every day and if not then they are someone that has to work with you. What he is saying is you have to have empathy for what is going on and do not come in with the consumed knowledge of whether people can pay or not pay. That way, whatever you do is going to seem skewed or out of order. Come in with a clean slate and there is going to be some of those that are going to steal and we know that. Anytime you deal with human man, accountability is going to have to be forced, it is not going to be given most of the time and he understands that. Mr. Collins said let's be considerate that is all he is saying and stand on your morals and try to do the best by this community. He said all the people that you call that cannot pay and get kicked out of their home that is a client you are losing and he does not know how you think you can recover if you get rid of half of your population who are paying into your system. You have got to try to save as many as you can, the best way that you can. As far as coming with a clean slate, he does not know how that would work, but he does know one thing, there should be some answers. You know that

people are not going to immediately as the President and Federal Government said, it is not going to be like a light switch. You cannot just turn it on and all of a sudden we are right back where we were, we are going to have to work at it.

Gus Gutierrez of 117 Orange Avenue, Fort Pierce said he is a member of the community. He said hello to the Board and said he knows everybody here. He thanked the FPUA Board and everybody here because you have done an exceptional job of running a fiscally responsible organization. He took a view at some of the utility companies around the country and some of the things they have done to help the community. There is some responsibility for the utility company to figure out a middle ground and everybody knows FPUA and knows Florida Power & Light is in this area. That is a good barometer for us to use some positive guidelines. FPL chose to do 25% off the bill for one month and that might be a nice solution for the Board to review. That is a comparable utility company and is a middle ground to offer if there are back dues to provide that discount and allow people that did pay the same discount when they choose to use it within the next six months. Other people might need it later and that would allow us to do the same thing other utility companies have done while still being fiscally responsible financially to the organization you represent and to the residents. Mr. Gutierrez said this is just a suggestion that we can do, which has been used in May by FPL and it does allow the people that are behind some leniency and a discount. They can choose whatever month they want from when it started to say October or November. Then that way, the people that paid also do not get punished for paying, they still have that a month where they can use their discount and people that owe the money, can pick the worse month.

Rebecca Di Manuel of 3268 Lakeshore Drive, Fort Pierce, Florida said she is here to represent her business and other businesses downtown. She said they have been hit hard and are looking for any kind of resource help they can get. A number of them have filled out the application for the grants and federal loans and not much is coming through. She has been down here for seven years and managed to turn it into a nice little business, but for the first time in her seven years, is very concerned she is not going to make it. Ms. Di Manuel said anything this City can do to encourage whether it is the utility company or anywhere you can help us to stay in business and keep this little downtown alive. She said when the retail shops and restaurants start closing down, people are not going to come any more. This is a beautiful city and deserves all the accolades that we have been given in the past and she would like to see a lot more in the future. Anything you can do to help our businesses, would be greatly appreciated.

Mr. Mario Wilcox asked if he could have ten seconds to speak again if it is not against FPUA's protocol and if it is against policy he understands. He said he respectfully requests ten seconds.

Ms. Cavalcanti said unfortunately because you have already spoken, she thinks it does break our protocol.

Mr. Wilcox said thank you, he could only ask.

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

1. Approve the Post Budgeted Project and Budget Transfer Request for the Gravity Sewer Main Replacement Project in the amount of $90,000.

2. Approve budget transfers totaling $53,769 to cover the City Distribution for FY 2020, based upon FY 2019 Adjusted Gross Revenue.

3. Approve POA 13-79: The purchase of 1) two PowerEdge R740 virtual servers in an amount not to exceed $31,738.04 and 2) three PowerEdge T640 servers for iFix in an amount to exceed $22,168.44 for a total of $53,906.48 from Dell Marketing L.P. of Round Rock, Texas, under Florida State Contract 43211500-WSCA-15-ACS and WSCA-NASPO Master Agreement MNWNC-101.

4. Approve Budget Transfer in the amount of $100,000 to continue moving forward with the Advanced Metering Infrastructure (AMI) meter upgrade project.

5. POA 20-99: Ratify the single source purchase and approve the Contract with Seacoast Air Conditioning and Sheet Metal, Inc., of Fort Pierce, Florida, in an amount not to exceed $130,935, for the emergency purchase and installation of H2O2 Air Scrubbers and Bipolar Ionization Units for various FPUA facilities, the Contract will commence on May 5, 2020 and end on final completion of the work and acceptance by FPUA.

6. Approve POA 20-99: Contracts and funding of up to $125,000 for Pandemic Building Sanitization of various FPUA facilities on an as needed basis. The three Contracts are with Sani Effect Environmental, Inc. (Sani) of Port St Lucie, Florida, DRC Emergency Services, LLC (DRC) of Galveston, Texas, and Hydro Jet Carpet Cleaners of the Treasure Coast, Inc. (Hydro Jet) of Fort Pierce, Florida, for an initial term of one year from May 20, 2020 to May 19, 2021, contingent on receiving the required Certificates of Insurance.

7. Approve POA 5785: Vendor Agreement and Addendum with Telvent USA, LLC, of Houston, Texas, in the amount of $118,208.48, for the ArcFM Small Utility Enterprise License. The initial term of this Agreement will be from June 1, 2020 to May 31, 2023, with unlimited one-year renewals.

A Customer Service Comment Card was received from Desiree Robbins thanking William Gray of Customer Service for being very helpful and kind in making sure they could have power on their property during this difficult time.

A Customer Service Comment Card was received from Frank Strazzulla thanking Shelia Parnell of Customer Service for her wonderful, friendly, and knowledgeable service in helping him establish service in his building.

A letter was received from Deborah Gompertz of Fort Pierce, thanking Kevin Parrish, Brian Collier, Maurice Bacon, Chuck Alford, and Kurtis Strand of the Electric T&D Department for their professional and friendly manner in helping her with a power line issue at her residence.

John Tompeck, Director of Utilities, said he wanted to give the Board a brief update on current events associated with COVID-19. He apologized to the Mayor and Mr. Matthews because you are going to hear some of the same things we talked about last night to the City Commission. Just to refresh everybody's memory, we started updating our Pandemic Plan in early March, closed the customer lobby and suspended all service disconnections on March 18th, and started telecommuting our employees on the 23rd in the anticipation of the "Safer at Home" order. Very importantly we isolated our control room personnel on the 23rd as well. Mr. Tompeck said we started the implementation of the Families First Corona Recovery Act (FFCRA) on April 1st, started screening our employees at our office locations on the 13th, and on May 4th we started bringing back employees. He said we are continuing to bring back employees on a staggered basis through June 8th and have asked our employees to self-screen before coming to work. We had approximately 140 employees which were working from home. The strict isolation of the control room will continue as he explained last night. We have a limited number of control room operators and really cannot afford to have a bunch of them get sick. He said that applies to Dispatch, Water Treatment Plant, Water Reclamation Facility, and Treasure Coast Energy Center.

Mr. Tompeck said tomorrow morning we are going to open the Customer Service lobby and have made some physical changes there. He said we have added some Plexiglas partitions to protect the customers and employees, made some modifications to the air conditioning system, and have some new protocols on handling customers as they go through the lobby. Mr. Tompeck said he is a little worried because the lobby is not very large and we are going to try to restrict it to four to six people at the most. He said depending upon the size of the crowd, we may have to take a look at that and see how it works. We are trying to return to normal while observing all the necessary precautions.

Mr. Tompeck said for customer assistance, the Board reduced the PCA by $2 effective May 1st and over the course of the next five months that returns about $1.6 million to our customers. He said we talked about a couple of options and one of the options was something similar to what FPL was doing in terms of a 25% or $25 reduction. Staff has recommended since we really did not know the length or how long this COVID-19 crisis was going to continue on that it might be

better to adjust the PCA which will give a little more flexibility later on if we need to do something additional. That has kind of been our philosophy thinking in a month or two when we get a full grip of what kind of problem we have on our hands, we may be able to do something in addition and we have given ourselves the flexibility to do that. We have suspended disconnections, eliminated late fees and that number is about $150,000 and growing and established an interest free payment program for customers with back charges. So far that is only residential, but tomorrow there will be a press release in which we are extending that to commercial customers as well. FPUA has worked out a final agreement with Mustard Seed and ALPI on a program to help customers clear outstanding charges with $100,000. It is important to understand these are the initial steps we have taken and we recognize as it was mentioned here we have not been through this before. We really need to think about where we are going to be in two months, four months, and six months and it is very difficult to make a prediction of what that is going to look like.

Mr. Tompeck said some of the cost so far is $1.6 million for the PCA which is a cost over the next five or six months and the delinquent fees and services charges of approximately $120,000. He said we have spent about $40,000 on supplies, $160,000 on HVAC modifications not only to the Admin building but to our other buildings, and contributions to Mustard Seed and ALPI of $100,000. The last time we had a meeting, we did not have a whole lot of financial information available for you to see what was really going on. We have a little bit more and have done a payment collectable analysis for the period from February 2 through May 10 and compared what kind of collections we have gotten this year as opposed to last year. We are running at about $1.9 million or 5.7% behind where we were last year. Mr. Tompeck said he expected that and the real question becomes how much of those delinquencies are going to become uncollectable at some point and time. He said there is no way to predict that, but we did go back and take a look at what happened in 2005 with Hurricane Francis and Jeanne and that year we had about $400,000 in uncollectable. He thinks this situation is significantly different because people are not out of their homes as they were with the hurricanes. It is hard thing to predict.

Mr. Tompeck said we have taken a look at the accounts eligible for disconnection and that has grown to about 1,565. He does not want the public to misinterpret some of his comments from last night and suspects a good majority of these people genuinely have difficulty in paying. What we would like to do when opening the lobby is get the public in to meet with our Customer Service Reps. They can either call for an appointment or come in to discuss a payment plan and we really want to understand how big a problem it is because we do not know. We really cannot tell and it is more likely it is the people here that genuinely have a problem paying as opposed to ones that just do not pay because they do not have to worry about being disconnected. We are not trying to be insensitive to the folks out there because we do realize there is a significant problem, but financially he cannot really tell you how big the problem is yet. That is why we want to encourage our customers to come in and talk about a payment plan so we can really understand how many of them are suffering and how difficult it is for them to make their payments.

Mr. Tompeck said the topic that staff needs the Board's input on is disconnection. He has had the opportunity to discuss the topic with Key West, Lake Worth, New Smyrna Beach, Jacksonville Beach, and KUA to see what their philosophy was on this. With some minor variations, they are in the process of developing the programs to start disconnections again. In most cases, it is in the July and August timeframe. He wants to make sure everybody understands the last thing he wants to do is disconnect the customer. Nobody wants to pull out the cash register and that is what he is doing here and does not want to do that. On the other hand we need to start getting some of this lost revenue back into the system. Our staff's recommendation is we strongly encourage our customers to come in and talk about payment options starting tomorrow. He would like to give them somewhere between six and eight weeks, which is reasonable, for them to come in and discuss it with us. We will see how that goes and come back to the Board the first or second meeting in June to give a status on that and we can make a decision when we should start disconnecting customers again. The subject is open for discussion.

Mayor Hudson said the Governor's order right now extends to July 7th and we do not know if he is going to extend that or if it is going to be the date when the Declaration of Emergency is over. She said that is one target to think about and find out what that means if it stays in place and find out what it means to our community. The important thing is people need to get back to work in order to be able to pay their bills. Most people want to get back to work and we want to be as supportive as we can in helping them so this is not a worry. The payment plan and the prospect of disconnection should be based on something reasonable that allows them to get back to work and be able to pay something so they feel they can support their families. As was brought up last night, the disconnections in July and August in Florida are particularly acutely unbearable. Mayor Hudson said she thinks we should keep that in mind and knows we have to be fiscally responsible. She would like to kind of know when everybody is going to be back to work for the most part and thinks that may be September, but she does not know.

Mr. Matthews said one of the things that is hard for people and easy for others is if you have never been in the shoes of a poor person or a disadvantage person, you do not really fit the realities of what is going on. Fort Pierce has a history of having high unemployment in all the counties in the State of Florida. Then when you come internally into the City, you got persons who are disabled, the homeless we think just because they don't live within compacts, and then we have the minority community who is struggling because there is no job. Mr. Mathews said he thinks personally what we ought to do as a Board is have an emergency workshop and to divide the conversation. He said we have Ms. Rebecca come in who is a small business person not too many minutes ago and asked what we are going to do with people like that. We have other persons that have four or five in the household with most of them being children, what are we going to do with the residents who are facing this dilemma. He heard the Director say we have approximately 29,000 plus in customers and those who are doing okay who we will probably never hear. We need to have an emergency workshop and there should be a four-way plan and he does not want to over discuss it now. He said the first one would follow the rules and regulations with saying what you are going to do with the $2 reduction. Mr. Matthews said we certainly need to take those 1,500 plus and look at whether or not a pay plan will work. He said

number three is we need to be in a position to even write-off or forgive a certain number of customers. How do they catch up whether June, July, or August when you do not have it. Last, he thinks we need to do is place a credit line for some of the customers so they can if they have been on the utility for five years that is good behavior, that person would be eligible. Someone that has just come to town that we do not know much about for four or five months, we can work it out among ourselves as a Board to help. Everybody would get part of the deal and the Director and Finance know there is a certain amount, you just talked about $1.9 million or $1.7 million where there is a certain amount that is always going to be in the collectable category. He is not saying they are not ever going to pay, but it is going to be a delinquent. One day when some luck comes because we have given them their chance to be pushed over a hill like a ratty car. We do not want to run anybody away, it is not hard to run people away because they are always complaining about high light bills and job discrimination. Let's be brave enough and look at what we are willing to fit in and he does not call it a write-off, but overall you will not be able to collect it right away.

Ms. Cavalcanti said the only comment she would make is she knows last month we did hear about the $25 or 25% on FPL and at least for right now, she thinks the thought of the Board was we would go with the PCA reduction. She said in other words a reduction of rate because that carries through the summer, it is not a one-time thing. All through the summer months, which are high months we would have that reduction in rates, so that was one of our thoughts then. We do not know how much worse this might get or better this might get, but for right now the PCA was our first item. The other items were for a lot of these people who are having serious problems at least people who have families, not commercial. We are trying to work with organizations like Mustard Seed that will give them the relief they need because they actually do pay their utility bill. Ms. Cavalcanti said on the FPL thing that is only for electric and would not be for their water and sewer, which our bills are combined and our garbage is on there, whereas theirs are not. She said whatever your total bill may be, FPL's part would only be the $25 or 25%, whichever one it is assuming it is around $100. Whereas FPUA reflects a whole lot of other utility services that we have. We can consider more options and that is why we are here as a Board to help our Utility Authority guide what we think will be in the best interest. She agrees with Mr. Charlie Frank that we need to have some criteria and maybe divide it into some different sections and we can look at those different sections. We can see what we can do for a family that has four or five children in there and they have lost their job, something should be done. Whether we do it through Mustard Seed or directly ourselves because we are not qualified or our staff is not qualified to make that judgement and Mustard Seed is. On the commercial end, she does not know that we have done anything other than the PCA reduction. Yes, we want our businesses to survive and we may need to do more.

Mr. Tompeck said there will be a press release tomorrow morning on the commercial side.

Ms. Cavalcanti said ok, thank you.

Mr. Bey said he agrees with Mr. Matthews and thinks it is important that we all work together on this. He said one of his main concerns is we are really not out of this yet and the country has been talking about as a result of reopening what are some of the issues are going to be with re-infection. It may be that come September we might be looking at going through this same thing again. With that in light we really need to sit down as a community and look at banning together with the churches and Mustard Seed. Mr. Bey said FPUA has a Weatherization Program that there may be money available to help. He said his concern is we are a municipal utility authority and our rate payers own this company and there is a certain amount of responsibility that we owe them as rate payers to keep this afloat. By the same token, we need to make sure everyone who can, come in and make arrangements to pay their bills, we need to make sure we can get that done. That sign of good faith helps us move this thing forward. He understands there are some churches that were getting together and helping some of their parishioners within their area pay bills. It is incumbent on us all to get together and work together and figure this out.

Mr. Fee said he does not have any comments. He thinks everybody kind of covered the broad spectrum and until we know when America is going to be back at work, which sounds like it is going to be July, we need to hold off on anything that deals with disconnections until at least July or August and that is fair for everybody.

Mr. Matthews said there is another hidden agenda that has not been even discussed. He said hurricane season is coming up and we really need to have some kind of workshop because that is another impact on the problem. Part of another hidden agenda is during this, personal owned restaurants know this better than anybody. We used to call it the three system months, June, July, and August where they have a problem trying to maintain a certain level. We are getting ready to go right into that little circle of June, July, and August called the three system months.

Ms. Cavalcanti said it goes through September.

Mr. Matthews said it is important for this Board to move to do something.

Ms. Cavalcanti said she believes we are on to Mr. Tompeck with the Electric Reliability Update.

Mr. Tompeck said the next item is an Electric Reliability update and Paul Jakubczak will make the presentation. He said while he is coming up, Mr. Tompeck said he would like mention that he will get back with the Board. We are going to get back to two meetings starting in June and he will try to get some more information on the details of the number of disconnections that are possibly out there. We will see if we can pull some details to figure out exactly how big the problem is and hopefully we will have a little time for our customers to come in and make some arrangements. We can then understand the magnitude of the issue.

Mayor Hudson said that is a moving target, right, every day the number is different.

Mr. Tompeck said yes.

Mayor Hudson said that is just the number today and that is something we have to keep in mind. She said he has to see over the next two weeks before the next Board meeting.

Paul Jakubczak, Director of Electric & Gas Systems, presented the Electric Reliability update for March 2020. He said this is the 12-month rolling average for the reliability of our electric system. Our SAIFI numbers, which is the estimate of the number of interruptions that a customer can expect based on the data from the previous 12-month period has creeped up a little bit to 1.06. He will get into that at the end of the presentation. As shown on the chart, this compares to the other utilities that participate in the FMPA Program and FPUA is 10th on the list and still above or less than the average for the medium size utility within the state. The CAIDI number is the estimated amount of time if you are experiencing an outage how quickly FPUA got to the power to restore it. As you can see, FPUA is 52.57 minutes and we are 9th on the list for this. The last number on the list is our SAIDI numbers, which is basically all the outages divided by all of our customers even if they were not affected by outages. FPUA's number if 55.76 and is 9th in the state.

Mr. Jakubczak said the next slide is a new chart he has updated. He said it is the 2019 comparison for the calendar year and not the 12-month rolling. He said FPUA is on the far right with an average of 1.03 outages per customer, 53.94 is the amount of time that customer could experience those outages, and 55.9 for the entire customer base. If we do a comparison, FPUA is less than the municipal average, higher than FPL on the SAIFI which is the number of outages, but we are better on the restoration time than FPL. He could go through the rest of them, but it is self-explanatory looking at it as far as how we compare.

Mr. Jakubczak said a couple of years ago we came up with some metrics that we wanted to make sure and compare ourselves to, the one metric we have is our SAIFI and we are a little over our estimate of 1, which is where we want to be. He said we want to get those averages down to one outage per customer or less per year. Our CAIDI and SAIDI numbers are good. This shows us we need to maintain our vigilance with our outages and our reliability, we cannot not just say we had a great month last month and then sluff off a little bit. The reason these went up a little bit near the end of the year was we had a couple of outages where the breakers opened up on the beach and that is 2,000 customers that were out for about one hour. The outage was caused by a raccoon getting into the substation. As you can see, one outage can negatively affect our numbers, but we are being vigilant and making sure if you look at some of these numbers that we had for the first three or four months this year, they are really good. We want to keep that moving forward to get that number back down under one and it is just going to take a couple of months for that to be averaged out through the entire system as we move forward.

Mr. Tompeck said the next item is the February Financial Operating Results for February 2020 and Barbara Mika will make the presentation.

Barbara Mika, Director of Financial Services, said she will present the year-to-date February 2020 Financial Operating Results. She said we had a year-to-date increase in Net Position after the distribution adjustment to the City of $1,243,000. The year-to-date operating income was down from the same 5-month period last year by $1,977,000. For 2019, we had Guaranteed Revenue Charges that were collected in exchange for Capacity Reduction that increased the Operating Revenues we did not experience in the current fiscal year and that accounts for about $901,000 of the decrease. In addition, we had some expenses that were a little bit up this year over last year including salaries and wages and the related corresponding benefits and we had some additional maintenance/service contracts that we were engaged with this year.

Mrs. Mika said the chart displayed shows the Electric Operating Revenues less the Power Cost and the consumption comparison. She said this is revenues that offset costs we can influence. For FY 2019, revenues less the power cost were up 2% from FY 2018 and the corresponding consumption was up from FY 2018 by 3%. In FY 2020, the revenues less the power cost were down by 4% from FY 2019 and correspondingly it was driven by consumption that fell 4% from FY 2019. The water operating revenues and consumption for the five months, FY 2019 operating revenues were up 10% from FY 2018 and this was a result of Guaranteed Revenue Charges that were hit on the water side for FY 2019. The FY 2019 consumption was also up 7% from FY 2018. FY 2020 revenues and consumption were both up slightly from 2019, operating revenues for 2020 were up 1% from FY 2019 and consumption was pretty much flat. For wastewater operating revenues and gallons we have billed, FY 2019 operating revenues show a 5% decrease from FY 2018 due to the capacity reductions. FY 2019 gallons billed are up slightly 2%, almost flat compared to FY 2018. In FY 2020, the operating revenues are down 11% from FY 2019 due to the Guaranteed Revenue Charges of about $600,000 in 2019 that we did not experience this year and the FY 2020 gallons billed was flat from FY 2019. The natural gas operating revenues less the gas cost and consumption is shown on the screen and in FY 2019 the revenues were up 2% from FY 2018 with consumption just slightly down 1% from the previous year. In FY 2020 we see an additional increase of revenues up 2% from FY 2019 and consumption also up 4% from previous year.

Mrs. Mika said the next chart shows the operating income and debt service coverage. She said FPUA's debt service coverage for the twelve months ending February 29 was 2.62 which is down slightly from September where we were at 2.85. At 2.62, we are still more than double the minimum requirement by FPUA's bond covenants. These Financial Operating results were presented for your information and requires no action on your part.

Mr. Tompeck said Barbara will continue with the bill comparisons for the month of March 2020.

Mrs. Mika said she will be presenting the monthly update on the comparisons of the municipal electric rates in the State of Florida and the local Treasure Coast utility bills for March 2020. She said in this first graph is the comparison of residential electric rates for 1,000 kWh of consumption

for the month of March for the 13 municipal utilities that are members of the "All-Requirements Project". They are displayed and ranked based upon their base bill amount. In the graph, we can see where FPUA ranks among the 13 ARP participants. Our March rates at $105.84, depicted with the yellow bar, ranks FPUA with the 4th lowest rate of this group, unchanged from February. The blue bar represents the FPUA approved rate for the month of May at $103.84. This graph displays the March comparison of Florida residential electric rates for that same level of consumption and includes all of the municipal utilities in the state. The data for all of the graphs has been compiled by Florida Municipal Electric Association (FMEA). FPUA's March bill for this level of consumption at $105.84 has shifted its standing by two positions since February to the 10th lowest rate in comparison to all 31 municipal utilities in the State of Florida. March brought rate changes for 7 of the 13 ARP participants since February. Three of the ARP participants had reductions to their fuel cost adjustment in excess of $15.00. The overall impact of these rate adjustments on the averages shown in this graph was a reduction of $4.11 for the ARP average rate and $1.70 for the municipal rate. FPUA's March rate remains below both of these averages.

Mrs. Mika said the next graph presents a similar comparison of municipal utility bills within the State of Florida for the consumption of 2,500 kWh. She said in this comparison, FPUA's March bill standing at $267.30 was impacted by other municipalities' rate reductions with a shift to the right to the 16th lowest rate among this group. While we still have another month of data to compare, we can see the blue line indicating FPUA's approved rate for the PCA reduction which was implemented on May 1st. FPUA's rate for March falls below the averages for all of the Municipal Utilities and the Investor Owned Utilities for this level of consumption. The table displayed is the March comparison of the average residential utility bills on the Treasure Coast. The comparison includes the bills for electric, water, and wastewater services that a residential customer, with average consumption, would have experienced if they resided in one of these service territories. These figures include all of the applicable taxes and fees and have been verified by staff to actual or historical bills. In this comparison, FPUA's utility bill for all three services provided inside city limits is shown in the first column. All other bills in this table have electric services provided by FP&L and water and wastewater services by the locality's provider. The March bills from each of these municipalities were unchanged since the February bills were reviewed and presented. The Fort Pierce utilities bill for these three services including all of the taxes and fees is the lowest in St Lucie County. This item has been presented for your information only and requires no action. However, if you have any questions she would be happy to address them.

Mr. Matthews said when he looks at the chart and see Vero Beach and Martin County, he asked if Martin County has a particular city like Stuart or is it the whole county.

Mrs. Mika said Vero Beach is an inside city customer and Martin County is in Martin County and not Stuart.

Mr. Tompeck said Martin County utilities are just like St. Lucie County utilities.

Mrs. Mika said the electric is all FP&L except for the first column, which is FPUA at the $113.40 and includes fees and taxes.

Mr. Matthews asked if their customer base is about the same when we talk about Vero Beach being served by FPL.

Mrs. Mika said it is more of a locality that we are looking at. She said we are looking at an average bill compared to an average bill. It is based on the same amount of consumption for electric 1,000 kWh or 6,000 gallons of water. We are looking at the same amount of consumption in these different areas.

Ms. Cavalcanti said also the City of Fort Pierce has a tax number on ours and some of these do not have the same tax. She said that is on some of the details.

Mrs. Mika said the detail sheet shows what the fees and taxes are in those.

Mr. Tompeck said the next item is an update on the electric power cost adjustment for April 2020 and Barbara will carry on.

Mrs. Mika said she is presenting the status report on the Electric Power Cost Adjustment for April 2020 and updated projections through April 2021. The power cost adjustment or PCA is the mechanism by which FPUA recovers power costs that are in excess of the $79.52 base power cost, which is included in the base rate. The cost of power purchased from FMPA for the month of April was billed to FPUA at the rate of $72.32 for 1,000kWh. This was an increase of $3.82 as compared to March. In April, FPUA experienced an under-recovery of power costs from the customer of $84,787. The cumulative over-recovery as of April 30, 2020 was $4,167,855. In the chart displayed, the bars depict the balance of the PCA over-recovery and the dark blue line represents the PCA. She said the PCA for April was set at negative $11.00 per 1,000 kWh. The blue bars represent the actual amount over-recovered while the orange bars depict what the over-recovery would be if the projections are correct. These projections have been prepared by Raftelis Financial Consultants, which were based on projections prepared by Florida Municipal Power Agency. Since March's forecast, FMPA's estimate of the cost of purchased power for the upcoming 12 months has increased by 2.2%.

Mrs. Mika said the next chart takes a look at the projection of the PCA trending through September 2021. She said it takes into account the $2 decrease in the PCA effective on May 1st to -$13 per 1,000 kWh. While this a long-range look, we can see in May and through into the last quarter of this fiscal year, the PCA over collection is expected to decrease as savings passes through to our customer bills. Our over collection goes up and the money is offset on the bills to the customers. In the most recent four months, from December through April, FPUA has experienced under-recoveries from our customers in excess of $1 million. In light of the $2 PCA reduction just implemented on May 1st, it is the recommendation of staff the PCA remain

unchanged at this time as we wait and analyze updated projections on the cost of purchased power. Mrs. Mika said staff will continue to evaluate updated projections and report to the Board each month. She said this item was presented for your information, but she would be happy to address any questions or comments.

Mr. Tompeck said the next item is a request from Commissioner Reggie Sessions to address the Board on COVID-19 and utility rates.

Commissioner Reggie Sessions said he will introduce himself and said as he looks over at the Mayor he started reminiscing. He said she always gets on people when they get in front of the microphone and do not give a name for the record. With all due respect to her and protocol he said he is Reggie Sessions and a resident of the City of Fort Pierce. He said he would like to address this Board this evening with regards to some issues he heard earlier. The impact of COVID-19 and what it has had upon his citizens and FPUA's ratepayers. He will start off by making sure we are standing on behalf of those individuals he has gotten numerous phone calls from. A lot of them were here earlier and as a matter of fact, Gus is probably one of the main reasons he wanted to address this issue. About a month ago, Gus had a letter written and it was brought out on the record and read by our Clerk Mrs. Cox. Mr. Gutierrez was pleading to the City of Fort Pierce for some help during these times as far as the businesses are concerned. They are going through some things and his form of relief was in his request was the utility bill. Mr. Sessions said it dawned on him this is a time, he for one is a City Commissioner, but he does not have the authority to address what you are requesting because of this Board. Mr. Session said we all know the history of this Board, it was created, for the most part, about 25 years ago to take the political pressure off people like himself. That is why this Board was implemented and you are here today as a result of that. Be that as it may, the situation warrants today, ladies and gentlemen, some form of relief. The businesses are downtown and need relief in the form of commercial business that could help assisting by way of perhaps impact fees with the reduction of those for new businesses by way of assisting them to be able to pay their employees. There are so many employees and people who are suffering right now from unemployment. These small businesses cannot afford to pay their employees, there are individuals out on furlough, and for those mom and pop businesses that are downtown where there is only one person operating and are going from month to month. For a business such as Downs Deep South down the street, Ken Dixon where his light bill is running anywhere from $8,000 to $10,000 for a form of relief he will be looking for. That old lady out in Sheridan Plaza that is going through something right now that needs a form of relief in the form of some money. She has to substitute sometimes her light bill money for medical bill money. These are the kinds of stories Mr. Sessions said he hears all the time, you do not hear them as much as he does because people are still under the impression that we run the Utilities Authority. He is here to address those that are for the most part responsible for implementing some form of relief to these individuals that need it right now. He said as you all know, we are facing a pandemic where it has impacted not just a city, not just a state, not just the United States of America, but the whole entire globe. It has had an impact on those individuals that he mentioned beforehand and it is just impacting us financially beyond

measures. As Gus pointed out about a month ago in his letter, what would be a big help to so many individuals would be a reduction in the utility rate.

Mr. Sessions said with these challenges before us during this pandemic, he was wondering what he was going to say and was going to try and get some information of similar cities of our size as Mr. Tompeck always comes forward with. He has to give him credit, he always has an organization or city rather that is similar to us in terms of our budget and our size. Mr. Tompeck gives a fair comparison and then he makes his request and Mr. Sessions said he has a lot of respect for him for that. As he was pummeling trying to find something similar in nature to try to convince you as you hopefully will sit down and have a special meeting to address this problem, he said he ran up on an article by an individual he hopes the Board has a lot of respect for and cannot of any better person other than Reggie Sessions to outline it to you. He said he will read the article in terms of what he said. "Mr. Jacob Williams, General Manager and CEO of Florida Municipal Power Agency". This article came out April 23, 2020 and Mr. Williams goes on to say, "right now we are facing very serious financial challenges due to the pandemic. Our Orlando-based wholesale power supplier, what we must recognize is that this is a serious issue with working with our member utilities to help them evaluate options for keeping money in the pockets of their customers. Cities and utilities that have announced plans include", Mr. Sessions said all of the different cities and he thinks there are about 34 of them, if he is correct in this agency. He said they outlined all of them in the article. Mr. Sessions said that Mr. Williams went on to say "it is incumbent that we help and assist these individuals and not all cities will be able to reduce the rates due to various financial situations. Lower power costs will help bring this savings forward. Most power generation in Florida is fueled by natural gas, and the price of natural gas is at a long-time low, like gasoline. The lower-than-expected fuel prices create a savings that can be passed along to the customer. Many cities that plan to reduce bills purchase their wholesale power from FMPA. The Agency's power costs have been coming down for years and are now lower than they have been since 2004. In addition, FMPA's fuel costs have declined in 2020, so the Agency expects its power costs to be lower than what has actually been projected. With low power costs and low natural gas prices, many of FMPA's cities are in a position to bring the savings forward to the customers during this pandemic." Mr. Sessions said this is from your General Manager, Mr. Jacob Williams in that article.

Mr. Sessions said as Mr. Williams recognizes the necessity and the need and indicated that some municipal owned authorities such as yourself some will be able to and some won't. He said it will be based on their present financial situation and he submits to you based on what he heard last night from Mr. Tompeck, you are in a position to do so. Last night Mr. Tompeck reported FPUA had over $30 million in unrestricted cash and investments. When you look at your CAFR, Mr. Sessions said he saw there was $18.7 million of that money unrestricted with no appropriations. You have $5,000,457 restricted for debt, you have $900,000 restricted for emergencies and contingencies, $500,000 for renewals and replacements, and he will add what he hears so often, you have the money by your bondholders with the requirement where you have 90 days of cash on hand. Ladies and gentlemen, I present to you that you are in a position to do so. Now whether or not you do it, lies within our hope where you are from being sympathetic towards the people

that are crying right now for some assistance. It is not only for that old lady at the bottom of the totem pole, but it is that commercial business as well. Mr. Sessions said when he first thought about coming up here he wanted to talk about what Florida Power & Light is doing and they cut down and are going to do a 25% reduction for one month, that is a guideline. He said whether or not you can do something similar more or less, it remains to be seen. What he is requesting from you is that we do something and you have the ability to do so. He looked at FPUA's budget this morning along with his help and what he presented and you are in the position to do so. He said to Ms. Cavalcanti with all due respect, he understands the PCA reduction and what you are going to do, but that is going to be passed along regardless. All the members support agencies recognize what you said, but in addition to that, we have an all-time low in terms of the purchase of fuel, natural gas, that was acknowledged by Mr. Williams that should be passed along to the customers of the city and the customers of the Fort Pierce Utilities Authority. What better time than right now when we are in dire straits to do so. With that being said, he hopes again what is fair is that we not only try to assist individuals, but commercial businesses too because they were impacted as well. Based on what Mr. Tompeck presented last night, ladies and gentlemen, $100,000 to Mustard Seed and ALPI is a drop in the bucket, it is a grain of sand compared to $30 million that you have unrestricted, $18.57 million of those dollars unappropriated. Unless he is told otherwise, unless you can show him you do not have it, which he can see that you do, please find it within yourself to pass it back over to those that own this utility company. It is not owned by Reggie Sessions, it is not owned by Charlie Frank, and it is not owned by the Fort Pierce Utilities Authority, but it is owned by the citizens of the City of Fort Pierce. They are patronizing and selling a product to the customers of Fort Pierce Utilities Authority and it is about time they get a return on their investment. Right now they are in dire straits and they need it. Mr. Sessions said he will not take up any more of the Board's time, but hopes as you prepare to go and meet again please, $100,000 is not going to touch the button. He appreciates the moratorium, we are not going to cut off the bills and according to what you are saying now by the month June, I believe. We will have to revisit that issue and what he presented last night was it was about 1,438 individuals right now that qualify to have their lights turned off. Can you imagine the major dilemma that would have on the impact of this City, 1400 people with their lights turned off. Right now if we were to go back to protocol and start things back up in June that has to be addressed. Please let's dig down and find more than $100,000, interest free over 12 months to repay, that is fine. People need something right now and we need it to impact them directly not over a period of months with regards to savings. There are people out there, businesses now that are starving, businesses going out of business and they need help. The pressure is on you and that is why the Charter now says you are responsible, please take it upon yourself to answer to the call of the people and that is why he is here to today to cry out to you. Mr. Sessions thanked the Board for the opportunity.

Mr. Matthews said he certainly would like for Mr. Sessions to give the article to the secretary so we can review it. He said he has a request and believes the Director should canvas all of us to see if we can have an hour or 1 ½ hours for a special meeting on this subject. He would not want to make a decision just because Mr. Sessions has made a presentation or an appeal. He would like to look at how we can function and how we are allowed to function.

Ms. Cavalcanti asked if Mr. Tompeck got that request.

Mr. Tompeck said he got that request and the only thing he would request is to have a little time to gather some information. He said once again we are still struggling with having enough data to know exactly what the problem is. Maybe we can do at the second meeting or in place of the second meeting in June or we could do it in conjunction with it.

Ms. Cavalcanti said she has a couple of questions and she may be asking Barbara Mika this. She asked if on the debt service coverage is that ratio is operating income over total debt.

Mrs. Mika said yes.

Ms. Cavalcanti said over a 12-month period we really do not know the effects yet, she would like to see and knows we had it great through February, but we are now dropping from March. That is her first question on operating income. The next question is for Mr. Tompeck and for Barbara Mika, on the Jacob Williams article, we pay for our power based on what they assess us as the cost of power. That is what Barbara just mention the 2% increase that we have. We have not actually seen a reduction in the power cost from FMPA.

Mr. Tompeck said what is critical to understand here is the power cost from FMPA has been going down for the last six, eight, or ten months. He said we look at that and adjust our power cost adjustment based on that. We are always following that and always doing our best to get money back to the customers as quickly as we can. It is not a case where we have all of a sudden to catch up based on what is happening right now. We have been catching up continuously as time goes on.

Ms. Cavalcanti said from and we do not have the article, but from what it sounded like, all of a sudden FMPA was going to have a drastic reduction in their cost of power to us. She said in which case, of course, we do pass that along in the PCA, but we have not seen that yet, correct.

Mr. Tompeck said we have seen some reductions, but does not see there will be a drastic reduction. He said he thinks what Jacob Williams is telling us is the same thing John has been telling the Board. The price of natural gas is at historic lows, we think it is going to stay low, but not as low right now. Their projections to the next six to eight months, they expect the rates to be very reasonable and very low.

Ms. Cavalcanti said we are passing that along every time we do a PCA reduction, we pass that along.

Mr. Tompeck said exactly.

Ms. Cavalcanti said from the tone of what Mr. Sessions was saying, we should be reducing because we are going to see this drastic reduction, that is what she got, but she does not have the article as a result of the pandemic or whatever. She said her point is that we do already reduce it and have been reducing it for quite some time. Last month, which was the first month of us really having to see this badly, we went with the $2. She is not saying that is how she feels it should stay at the $2, it might go to a $6 reduction. At least getting a bigger reduction in the summer, she always thought was the biggest bang for your buck for our citizens. If we do a PCA and you only use 400 kWh of electric then you are looking at $0.50, but if you are doing it using 2,000 kWh, then it is a bigger number. So, if we have we have -$11 during a time when you are using 2,000 kWh, which is when you are running your air conditioning in the summer, then we are getting a better bang for our buck. That has been her point for years is she thought we should try to time the PCA cuts in the summer because that is when people are hurting the most here on their electric bills.

Mr. Sessions said she is right and that is good and we should continue to do that.

Ms. Cavalcanti said as much as we can afford to do it.

Mr. Sessions said right, but his point is withstanding all of the above is great. He said desperate times warrant desperate measures.

Ms. Cavalcanti said she agrees.

Mr. Sessions said as the other 33 of you are being creative in coming up with some form of relief to the customers, what he is saying is he feels based on your financial situation, you are in a favorable position to do so. He said that is debatable, he is not here to debate. All he wants the Board to do is have the same objective in mind that he has and lets accomplish the same mission.

Ms. Cavalcanti said she agrees with him there.

Mr. Sessions said he just wants to help those in need.

Ms. Cavalcanti asked Mr. Tompeck if he had anything else to add.

Mr. Tompeck said no he did not.

Mayor Hudson said the speaker earlier, Ms. Dixon, she saw that Mr. Cisneros was talking to her so she would like to follow up with it.

Mr. Tompeck said we talked to Ms. Dixon several times and asked if Mr. Cisneros had anything else to add.

Mr. Cisneros said no.

Mr. Tompeck said the problem here is there is a previous lien on the property and it should have been taken care of at closing. He said the lack of title company was a problem and she got stuck with the former owner's lien.

Mayor Hudson said that is not fair or right.

Mr. Tompeck said it is not fair and it is not right.

Mayor Hudson said we need to figure out a way to help her. She said she does not know how to do that.

Ms. Cavalcanti asked about the $45/month charge.

Mr. Tompeck said it is the readiness to serve charge essentially. He said the service probably should have been disconnected completely.

Mayor Hudson said Ms. Dixon said she did have good credit rating and everything so she will be one of our good customers.

Mr. Tompeck said it is hard to get rid of the lien.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN