MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, JULY 7, 2020, 4:00 P.M., Via WebEx – WWW.fpua.com/live.

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

Excused: Darryl Thomas-Bey

Others present via WebEx live: John K. Tompeck, Director of Utilities; Barbara A. Mika, Director of Financial Services; Paul A. Jakubczak, Director of Electric & Gas Systems; Bo Hutchinson, Director of W/WW Systems, and Javier Cisneros, Director of Utility Support Services; Joshua P. Gang, Director of Regulatory Affairs, and Rupert N. Koblegard, III, FPUA Attorney.

The meeting was called to order by Chairman Cavalcanti.

Opening Prayer was by Jason Mittler of FPUAnet Communications.

The Pledge of Allegiance was recited.

Ms. Cavalcanti asked if Mr. Bey was present and he was not. She asked for a motion to excuse Mr. Bey who she believes is out of town.

A motion was made by Mayor Hudson, seconded by Mr. Matthews, and unanimously carried to excuse Mr. Bey from the meeting, he is out of town.

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.

A motion was made by Mr. Matthews, seconded by Mayor Hudson, and unanimously carried to approve the Minutes of the Regular Meeting of June 16, 2020.

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

1. Approve Amendment No. One to the Utility Work Agreement with the Florida Department of Transportation to extend the agreement end date from December 31, 2020 to July 31, 2021, and authorize the Director of Utilities to approve any additional time extensions for the Utility Work Agreement that may be required.

2. POA 18-21: Approve Amendment No. 1 to the Substation Maintenance Contract with Electric Power Systems International Inc., of Sanford, Florida, to increase the not to exceed contract amount from $24,900.00 to $44,900.00 annually, contingent on receiving required Certificate(s) of Insurance and signed Amendment from the vendor.

3. Bid No. 20-15: Accept Proposal and approve Contract for Fire Alarm System Replacement and Monitoring from and with Johnson Controls Security Solutions LLC (Johnson Controls), of West Palm Beach Florida, in an amount not to exceed $117,226.02, which includes the first year of system monitoring, maintenance, and inspections. The Contract will commence upon written notice to proceed and end upon final completion and acceptance by FPUA. At the end of the first year the monitoring phase of the Contract will commence with annual renewals in an amount not to exceed $3,919.44 annually, invoiced quarterly, contingent on receiving the required Certificate(s) of Insurance.

4. RFQu No. 20-27: Approve the Contracts for Continuing Professional Engineering Services and Design-Build Services related to communication networking for FPUAnet with Fujitsu Network Communications, Inc., of Richardson, Texas, and Foresite Group, LLC, of Peachtree Corners, Georgia, effective March 3, 2020 through March 2, 2025, with unlimited five-year renewal options.

A Customer Service Comment Card was received from Stanley Synkoski of 500 Orange Avenue thanking Sal Scimeca, Patrick Gillespie, and Jeff Baker from the Electric Department for the outstanding service in helping him understand the power connection to his historic building.

The Water Distribution Department received a call from Tina Perkins of 1801 Oleander Boulevard complimenting Seddrick Dixon for the great service he rendered at her home in resolving her low water pressure issue. Ms. Perkins also stated Seddrick was educational and she appreciated how he took the time to answer all her questions.

A Customer Service Comment Card was received from Tramecia Atkins of 1655 North 29th Street complimenting Felicia Davis of Customer Service for her excellent service in helping Ms. Atkins pay her bill.

John Tompeck, Director of Utilities, said he wanted to give the Board a quick update on COVID-19. He said FPUA is continuing to closely monitor the number of cases in St. Lucie County. Over the last few weeks the number of cases and hospitalizations are increasing. We have reinforced our in-house protocols, including strict isolation of our control rooms. We have restricted in-state travel and have suspended all out of state travel. We are continuing to stress social distancing and mandatory use of masks in all common areas.

Mr. Tompeck said as he reported at the last meeting, all of our employees returned to the office as of June 8th. He said based on the uptick of cases over the last several weeks, we have since reduced staff in the office by about 50%. This is to minimize potential transmissions of the virus and to ensure continuity of operations. To give you an idea, we have expended about 520 hours related to the Families First Coronavirus Response Act. The customer service lobby, which re-opened on May 20th was reclosed on June 25th. The use of the lobby was minimal and closing the lobby freed up additional personnel to handle phone inquiries.

Mr. Tompeck said the latest collection status shows we are running about 4.3% behind the same period from last year, which equates to about $2,149,000. He said that number has increased a lot in the last two weeks. As you are aware, we have offered no-interest payment plans for our residential customers for twelve months and six months for our commercial customers. To date, 248 residential customers have approved payment plans, which accounts for about $121,000 and 18 commercial customers have payment plans which amounts to about $34,000.

Mr. Tompeck said FPUA is also offering assistance through Mustard Seed and ALPI. He said so far 65 vouchers for about $20,000 have been processed through Mustard Seed and 29 vouchers for about $9,500 have been process from ALPI. The activity is starting to pick up, there is about 80 applications in process. FPUA has a total of $100,000 that has been set aside for the program. As we discussed at the last meeting we do have an additional $100,000 we can divert from WEOP into this program as well if we need it. We have been actively pushing these programs to help our customers and are continuing our 56 radio spots on WQCS 88.9 and WFLM 104.5. In addition, we have been pushing the programs on Facebook, FPUA.com, and bill inserts. The number of customers eligible for disconnections has risen to about 2,100, which is up from 1,700 that we talked about at the last meeting. We talked about FPUA's exposure for those customers at the last meeting being about $720,000, but based on the deposits, our real exposure is only about $55,000. Now another three weeks has gone by, several other billing cycles have gone through and most of those deposits are essentially gone. We have not collected on them yet, but they are gone. We can assume our exposure on this is going to rise about $400,000 per month. At the last meeting we decided we would initiate disconnects on July 27th and all of our customers have been advised with individual mailings. We are starting to see a pickup in activity for bill pay, the drive through line outside my office has been around the courthouse the last couple of days. It looks like some people are coming in to take care of their bills. That is consistent with what other municipal utilities are doing around the state. Lakeland, Ocala, JEA, and Lake Worth have all started disconnects, Gainesville is starting disconnects on the 17th, so FPUA is doing pretty much what the other utilities around the state have decided to do as well.

Mr. Tompeck said at the last meeting a question was asked about the availability of other programs to help our customers. He had a chance to talk with Howard Tipton last week about the $55 million the County will be receiving from the Care's Act. FPUA may be eligible for some reimbursement, but he thinks most of the funds are there for businesses and individuals. Specifically, 34% of the $55 million, which is a little in excess of $16 million is for Social Services. Those Social Services are for individuals for rental assistance, mortgage assistance, utility and

payment assistance. FPUA is looking into exactly how the program is going to work and Javier Cisneros is going to spearhead the program for us. He will be talking with Alphonso Jefferson, who is the Assistant County Administrator who Howard has assigned the responsibility of the program. We are hopeful there will be some additional assistance available and have heard numbers, but he cannot point to the numbers specifically in the Act. Howard told John he thought each individual would be able to obtain about $1,400 to help with housing utilities and other issues. At the EOC Executive Meeting today, Howard did mention the program will start tomorrow so we will try to get as much Information directly from the County that we can pass on to our customer so they can fill out any applications that may be necessary so they take advantage of the program.

Mr. Matthews said he has two concerns. He said he does not know how the staff can work it out, but he had two different individuals come to him and he could not understand the format of the persons who we have given the money to. One of the things is when the customer goes to either place they get what they call an appointment. Mind you, they are hopping a ride or bumming a ride to get down there and when they get down there, the people are telling them they have got to get an appointment. In doing that, they call and give them an appointment later, but by then, they have to go back and get a ride or some way to get there. Mr. Matthews said he has looked at what that person told him and the first person lives over five miles from the actual place which is Mustard Seed. He wished there was some way the Director could talk with those people because they are catching the devil to get there and when they get there, they have to be turning around. That would discourage anyone because if they are paying $3 or $5 to get a ride, they have to go back through that same process again. Mr. Matthews said when they had the testing down on North 13th Street in the ballpark, there were days they did not have anyone and that person was told they have to get an appointment, which means they have to come back. He does not know if it is a run around, he cannot say that, but he wishes we could find a way to talk with Mustard Seed and ALPI and encourage them to take the person as they come in. Especially if they do not have any lines.

Mr. Tompeck said we have asked the customers to call ALPI and Mustard Seed before they go down there just so they can make the appointment. He said they have limited staff and probably a lot of people coming in. He will talk to them, but he thinks it is in the best interest of our customers to call in advance before they go down.

Mr. Matthews said okay.

Ms. Cavalcanti asked if Mr. Matthews had any other items, you mentioned you had two items.

Mr. Matthews said he was approached and was overly surprised that both of these persons were from small churches and asked if we anticipate on helping the church of 18 members. He said he was shocked about it and could not even give them and answer. He told them he did not think so and that is how he left it and wondered if we have ever put churches under any particular

category. They are struggling too, but he does not want to open a can of worms. He was asked twice in one week.

Ms. Cavalcanti said she believes they could have applied for some of the aid from the Federal Government.

Mr. Matthews said he would be glad to provide the church the names and numbers if he could contact the Director and he could tell them the same thing.

Mr. Tompeck said he would be glad to do that and said we cannot set up special programs for churches. He said we have to treat all our customers exactly the same.

Mr. Matthews said okay.

Mr. Tompeck said the next item is requesting approval of a purchase order with the City for roadway work on 17th Street and John Biggs will make the presentation.

John Biggs Water/Wastewater Environmental Engineer presented the North 17th Street Project from Orange Avenue to Avenue D, water and sewer utility improvements. He said the objective of this presentation is to receive Board approval for a purchase order with the City of Fort Pierce in an amount not to exceed $549,727.64 as FPUA's contribution toward this project. This project is a FEMA grant-funded project by the City of Fort Pierce for the road rehabilitation project. This also creates a cost effective opportunity for FPUA to replace water mains, force mains, and gravity sewer infrastructure on this roadway. A little overview of this project is that it involves water main replacement, sewer main replacement, force main, gravity sewer, infrastructure improvements, sidewalks, roadway reconstruction, and gas main installation, along with electric work as well. From the Water and Wastewater Department the project is replacing 1,900 LF of 6" cast iron water main along with 42 services and also the replacement of 1,500 LF of 8" gravity clay pipe along with 6 brick manholes and services. We are also going to replace 467 LF of 10" cast iron force main and this main runs from Orange Avenue to Avenue D. The project cost breakdown for this project is the sewer portion is approximately $327,000 and the water portion of this project is approximately $221,000 with a total cost of $549,727.64. The estimated schedule that was given to the City by Paveco who is the contractor for this project and will be divided into two phases. Phase one runs from Orange Avenue to Avenue C and Phase two runs from Avenue C to Avenue D. The projected started mid-May with mobilization and the bulk of the water work is expected to be completed by the end of November 2020 and the over project completion is scheduled for March 2021. In closing, Mr. Biggs said he is recommending approval of Purchase Order 13-72 with the City of Fort Pierce in an amount not to exceed $549,727.64 as FPUA's contribution toward the roadway construction of the North 17th Street project from Orange Avenue to Avenue D.

Mr. Matthews said Mr. Biggs said Avenue C and he believes it should be Avenue B, from Avenue D to Avenue B and from Avenue B to Orange Avenue. He does not think Avenue C is in there.

Mr. Biggs said the schedule that was provided by Paveco that was approved by the City that he has states Phase One is Orange Avenue to Avenue C and Phase Two is Avenue C to Avenue D.

Mr. Matthews said you can check it and he does not want to debate on it. He said that is one of the areas he is pretty familiar with. The other concern he has is how long the project will be from start to finish.

Mr. Biggs said it started May and is scheduled for March 2021 so that is one year.

Mayor Hudson said this roadway badly needs this and it is $500,000 for a short space, but that shows you how little she knows about how much things costs.

A motion was made by Mayor Hudson, seconded by Mr. Matthews, and unanimously carried to approve the POA No. 13-72: The Purchase Order with the City of Fort Pierce in an amount not to exceed $549,727.64 as FPUA's contribution toward the roadway construction of North 17th Street from Orange Avenue to Avenue D.

Mr. Tompeck said the next item is an information only presentation by Bo Hutchinson on the WRF relocation analysis that was performed by Raftelis.

Bo Hutchinson, Director of Water/Wastewater Systems said this will be an information only item with an update on our Island Water Reclamation Facility (IWRF) Conceptual Analysis that was performed by our consultant Raftelis in conjunction with the Hazen Engineering Group. He said this was a joint venture between FPUA and St. Lucie County to undertake this study. First off the purpose of this is pretty obvious to look into the relocation of the IWRF and does not think that anyone would argue with him if when he says that this very prime piece of real estate has a much better use for it than having a wastewater plant on it. It would economic stimulate growth in the City of Fort Pierce and St. Lucie County to redevelop it and appears we are making good strides in a partnership with St. Lucie County to move forward with that.

Mr. Hutchinson said a few highlights of the scope is we evaluated the existing wastewater facilities of both Fort Pierce Utilities and St. Lucie County. He said we evaluated two different site locations, St. Lucie County had property put aside up by the airport and FPUA has property down near the Treasure Coast Energy Center and it was decided to let the capital cost dictate what the most economical location would be. We looked at the current and future wastewater flows that will help us size the new plant and that is based on population projections. We looked into some regulatory requirements mostly having to do with sludge and deep injection wells. You may recall a few months back we made a decision to send our sludge to New Tera to have it further treated before it is released in the environment. Also deep injection wells have been a

very hot political topic here lately so we wanted to make sure we were not going to have any potential trouble with upgrading our own existing well or at the North County site being able to install deep injection wells. We looked at a couple of conceptual layouts for the new plant and looked at the conveyance systems that it would take to get to both locations. We looked at the future and current operation and maintenance cost and once all the technical aspects are agreed upon by FPUA and St. Lucie County, our Consultant will move forward with looking at the more detailed financial portion of this study.

Mr. Hutchinson said the North County site came in at about $150 million and the South County site, which is FPUA's down by the Treasure Coast Energy Center came in at $131 million. He said the big cost difference there was really no surprise, the deep injection wells and also the significant amount of infrastructure that FPUA has already invested in order to convey those flows down south made the difference there. Moving on to death by charts, the chart displayed shows the flows that are based on population projections. We use the St. Lucie County Comprehensive Plan that came in at the outside of our target window of 2040 at about 428,000 people we would be serving. That lands somewhere in the middle of the BEBR populations, it was decided to go with the St. Lucie County numbers because they have a little more site specific information. If you move to the chart at the bottom, the most interesting number there is in the bottom right hand corner, which is our estimated flows for 2040 at 7.76 MGD. The initial recommendation is to size the new plant as an 8 MGD plant. Of course it is expandable in the future if we need that and we can also look at the same table and see some of the growth rates that St. Lucie County (SLC) is projecting. They are pretty aggressive growth rates from what he has seen, but that is not his business, he is an engineer and does not do statistics. The charts on the right hand side of the screen are something he thought would be interesting for the Board. It is the historical flow data for all of the SLC combined plants, the three mainland plants are the only ones we are concerned with. They, all grouped together, are at about 0.15 MGD right now and relatively small service territories, package plants. When you move down to FPUA's flows back from the last ten years, we average around 4.25 to 4.5 MGD per day. In 2016 was an especially wet year where it was a little over 6 MGD there. The bottom right hand corner chart is the South Hutchinson Island flow projections and there were discussions early on for potentially sending our flows from South Beach, basically all of the South Hutchinson Island flows sending them down south to the County's facility. A couple of potential obstacles that came up is if they are going to have enough capacity in that plant to handle their own service territory. That is what this graph shows in 2040 there will still be about 1.54 MGD and that is a 1 MGD plant so that problem went off the table. However, it was very expensive to convey that wastewater all the way down there, it came in to about $11 million. Mr. Hutchinson said he thinks everybody agrees that the $11 million would be better spent putting towards the new MWRF as opposed to sending it down south. Also, you have to consider those plants, both the North and South Hutchinson Island plants are on a barrier island so they could potentially in the future have the same environmental concerns that our plant had being on an island.

Mr. Hutchinson said moving on to the O&M costs, the current cost is shown in the top chart and if you look at these through the 62-page report, some of them are much longer. He said he cut

out some sections just to be able to boil this down to point. FPUA's cost to treat one million gallons of wastewater (IWRF) is around $1,600. If you look at the next three county facilities and those numbers look outrageously high, but you have to keep in mind these are small package plants. You have no benefit from the economies of scale there and they are all spread out. They are naturally more expensive to operate, but when you average them all together and put them all in for what the mainland is producing right now, we are about $1,750 per million gallons per day. Moving to the bottom chart, the bottom right hand number is $1,412 and that is the projection per million gallons for the new plant in 2025. The new plants are more efficient than the old, saving power costs and many other factors that tie into that as well. Other interesting parts is Plant City, Winter Haven, and Boca Raton were all similar facilities to FPUA's, different sizes, but similar facilities. You can see the range they operate in now and see that our $1,613 falls right in line there. There are a lot of different variables that go into that cost and it would take its own study to figure out those little nuisances. This kind of gets you in the ball park of what it will cost to operate the new plant and what it is costing us now.

Mr. Hutchinson said the two different layouts displayed are very similar and looks like someone moved around the rectangles and the circles a bit. He said the point of this is to demonstrate that this is an apples to apples comparison and the cost of the plant itself other than of course the deep injection wells is very comparable. Keep in mind there our current collection staff is housed over at the IWRF so when this plant is relocated, we will have to find a new home for that crew, their shop, facilities, trucks, generators and all that stuff. Most likely they will end up somewhere in the 37th Street area close to our Energy Services Center. Mr. Hutchinson said the conveyance system look very similar and they are for good reason. He said the basic trunk main is proposed right up Jenkins Road whether it is at the North County site or the South County. If it is up north, you would have a larger main that runs north and a smaller main that runs south, these are force mains. If it ends up at the south, you would have larger mains that are heading south and smaller ones going up north. Also there is an existing section of 24" force main from Orange Avenue from Okeechobee Road. A 24" force main is very expensive and since we already have that in the ground that also figured into the capital costs on the previous slide. Note the purple line on both of these maps is a proposed 16" reuse line that would not change regardless of the location of the plant. It gives us an opportunity to sell that reuse/irrigation water and could become another revenue stream to operate the plant in the future.

Mr. Hutchinson said going forward, we are still working on putting together a site plan for the Causeway Peninsula and are taking a little bit of a different approach than we were initially. He said we will keep the Board posted as that progresses or Mr. Tompeck can keep you up to date until the next one. Another topic that staff has been kicking around is the governance of the new plant. We are discussing right now to create this as an independent entity and would have its own independent Board of five members that would be made up of technical experts, no political people. Although he has been assured if you put a political person on that Board as soon as they figure out there is no political gain to be had, they will try to get off the Board as soon as possible. The idea there is to keep it as technical as possible and operate it as a business. The first task for that Board would be to build the plant, to start looking into the debt service and getting all that

worked out. Going forward, you would still have your Capital and O&M budgets that would be approved. It would operate as its own entity. Once the technical parts of this report are agreed upon by both entities, then we will turn Raftelis loose to finish up the financial projections. Also we will start discussing the cost that would be divided by flows. The initial control of the plant would be controlled by flows as well. We obviously would be contributing a significant amount more flows than SLC would initially and you never know what happens in the future. As SLC becomes larger and gets more and more customers on, their level of influence would grow as well as we go down the road. There are some potential grant opportunities and he would love to say we are going to get $130 million to do this, but he does not think that is likely. Anything we get, it would reduce the costs to our ratepayers. We certainly are very hot and heavy trying to get those. Mr. Hutchinson said that is the end of the report and his presentation and if there are any questions or discussion, he would be happy to try to answer them.

Mayor Hudson asked about the 5-member board of technical experts and what kind of technical expertise are they thinking about.

Mr. Hutchinson said the discussion was having like the two Utility Directors of the smaller utilities, which in this case would be George Landry and Mr. Hutchinson. He said potentially another staff member from either side as well, preferably engineers and maybe even an accountant is kind of handy to have on a Board. The fifth member would be decided on by the group and that may be somebody completely independent. We might coerce a utility director from one of our neighboring utilities to join in as well. This is very preliminary and he does not want to put anything out there, this is just to get everybody thinking about it.

Mayor Hudson asked what this Board would do, manage the move or manage the utility.

Mr. Hutchinson said it would manage both. He said initially it would manage the move and not the parts that are specific to SLC or specific to FPUA, but the part of constructing the actual plant that would be managed by this Board and going forward it would manage just the plant.

Ms. Cavalcanti asked if then it would be out of the control of FPUA.

Mr. Hutchinson said he would not say that, if you think about it, this would be funded by FPUA mostly and also SLC. He said all of the O&M costs and a small amount of additional money for future capital would be from both entities. The discussions were that the five-member board would effectively report back to both of our Boards, the County Commission and FPUA Board. You would have two members possibly three members on there from either group.

Ms. Cavalcanti said she has a concern because every time she looks at the water/wastewater report where SLC when we do our comparison, they are considerably higher than FPUA.

Mr. Hutchinson said that is accurate.

Ms. Cavalcanti said she would not want us to get into a trap of essentially subsidizing part of SLC because they never built anything like this.

Mr. Hutchinson said he agrees. He does not think there is any expectation of that, both utilities would still own their collection systems and their conveyance systems up to the plant. We would have to make sure there is a very fair deal there and this would not just be us absorbing their higher cost. There would be a cost per gallon that each entity would pay and that is basically what it cost. If that lowers SLC's rates, which he would expect it to, on that side of it, not on the debt service, just on operating the plant. It should also lower FPUA's as well.

Ms. Cavalcanti said that would be good.

Mr. Hutchinson said it is a pay per gallon basically, you create the initial entity, you put this together and it just operates as its own business unit. He said it sells its capacity just like if there was another entity like if Port St. Lucie (PSL) had extra capacity at their plant that is down on Glades Cutoff Road. If they wanted to sell it to us, they would charge us per gallon, if they wanted to treat SLC's they would treat that on a per gallon basis as well.

Ms. Cavalcanti said okay.

Mr. Hutchinson said this is all very preliminary so he does not want to get to deep into the details of that as of yet.

Mr. Tompeck said Bo might want to mention that some of the information here is going to be presented to the County Commission on the 14th. He will let the Board know if it does make the agenda on the 14th because Bo and John will probably go down and listen to it. We will see what the Board of County Commissioners think about it as well.

Ms. Cavalcanti said she believes we are on the Financial Operating Results.

Mr. Tompeck said yes we are, the next item is Barbara Mika presenting the Financial Operating Results for April 2020 for information only.

Barbara Mika, Director of Financial Services presented the Financial Operating Results for the month of April 2020. She said the Distribution to the City of Fort Pierce for FY 2019 was recorded in April of $6,276,000. After the adjustment for that expense, we experienced a YTD increase in our net position of $1,955,000. For the seven months of FY 2020, our operating Income was down when compared to the same period last year and this was due to the exchange of capacity reductions in 2019 for Guaranteed Revenue Charges. Those Guaranteed Revenue Charges of approximately $1 million were included in operating revenues last year and no such transactions were recorded for the current year. The YTD operating expenses were down $1.1 million from last year, mainly due to the decrease cost of our purchased power in FY 2020.

Mrs. Mika said that when the March quarterly financials were presented last month, Mr. Fee raised a question about the ratio of our net positon, which would be our net gain or loss over our operating revenues. She went back to take a look and found that it varies depending upon the circumstances we experience. While 2% - 3% is a fair average, some years present challenges that are out of our control like power costs that we have no control over. Pension expense, sometimes we have additional revenues that we are not anticipating between grants or capital contributions. Mr. Tompeck would like to look into this a little further and we will be bringing the Board additional information in the future. Mrs. Mika said the electric operating revenues, less power cost and consumption has been very consistent in the three years comparison. FY 2019 brought a slight 1% increase in the adjusted operating revenue along with a 2% increase in consumption. In the current year to date, we remain basically flat when compared to that same period in 2019.

Mrs. Mika said that water operating revenues also showing consistency in the upward trend. FY 2019 revenues increased over the same period in FY 2018 as a result of increased residential and general consumption of 3%. She said FY 2020 increases in operating revenue of about 6% was accompanied by an increase in consumption of 5%. Continued increases in the residential and general services that are consumed and an additional boost in bulk water sales of $556,000 in FY 2020. The 2018 and 2019 increased wastewater operating revenues were due to those capacity reductions that we did not experience in FY 2020 is why we have a decrease in revenues for this fiscal year. In FY 2020 consumption was up by 4% with the fall off in revenues as a direct result of the GRCs experienced in the prior two years. Natural gas operating revenues less the cost of gas purchased and consumption is showing an upward trend in both revenues and consumption. While increases are moving together, the major reason for the FY 2020 increase was the savings in the cost of purchased gas from 2019 of 2.3%, an additional savings with lower gas price.

Mrs. Mika said our debt service coverage is the ratio of the twelve-month average of net available income to our current debt service. She said for the twelve months ending April 2020, our debt service ratio is 2.76 x , which means that for every dollar of debt we have $2.76 available to pay that debt. Our bond covenants require that we have a ratio of 1.25 x. We are well within a comfort zone for our debt service. This is an information only item and if you have any questions Mrs. Mika would be happy to answer them.

Ms. Cavalcanti said she guesses we will go onto the PCA.

Mr. Tompeck said the next item is the information only presentation by Barbara on the electric power cost adjustment for May 2020.

Mrs. Mika gave the status report on Electric Power Cost Adjustment for May 2020 and said she will provide information about May's power cost and updated projections through May 2021. She said the Power Cost Adjustment, or PCA, is the mechanism by which FPUA recovers power

costs that are in excess of the $79.52 base power cost, which is included in the base rate. The cost of power purchased from FMPA for the month of May was billed to FPUA at the rate of $73.83 for 1,000kWh. This was an increase of $1.51 as compared to the billing for the previous month. In May, FPUA experienced an under-recovery of power costs from the customer of $724,146. The cumulative over-recovery as of May 31st was $3.4 million as shown on the table is $3,443,039. In this chart, the bars depict the balance of the PCA over-recovery and the dark blue line going across the bottom represents the PCA. The PCA for May was set at negative $13.00 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 in turn were based on projections prepared by Florida Municipal Power Agency. Since the April's forecast, FMPA's estimate of the cost of purchased power for the upcoming 12 months has increased by 2.2%. This graph takes a look at the projection of the PCA trending through September 2021. It takes into account the $2 decrease in the PCA effective on May 1st to -$13 per 1,000kWh. While this a long-range look we can see that into the last quarter of calendar year 2020, the PCA over collection is expected to decrease as savings passed through to our customer bills. In the six months' past from December through May FPUA has experienced under-recoveries from our customers in excess of $1.7 million. In light of the $2 PCA reduction just implemented on May 1st it is the recommendation of staff that the PCA remain unchanged at this time as we wait and analyze updated projections on the cost of purchased power. We will continue to evaluate updated projections and report to the Board each month. This item was presented for your information, but Mrs. Mika said she would be happy to address any questions or comments.

Mr. Tompeck said the next item is the Resolution 2020-06 which is a joint statement from the Board in response to the recent death of George Floyd and others. He said this resolution was requested by the Board at the last meeting and has been prepared by Josh Gang and reviewed by Mr. Koblegard. If the Board has any questions or comments, we can entertain them now, if not Ms. Johnson will read the title and a vote can be taken.

Ms. Johnson read the title into the record as follows: "Resolution No. UA 2020-06, a resolution of Fort Pierce Utilities Authority in response to the killing of George Floyd, Ahmaud Arbery, Breonna Taylor and others."

A motion was made by Mayor Hudson, to approve the adoption of Resolution No. UA 2020-06, which is a joint statement from the Board in response to the recent death of George Floyd, Ahmaud Arbery, Breonna Taylor and others.

Mr. Matthews said since it has not been read he will not second it yet.

Ms. Cavalcanti asked Ms. Johnson to read the resolution.

Ms. Johnson read the title into the record as follows: "Resolution No. UA 2020-06, a resolution of Fort Pierce Utilities Authority in response to the killing of George Floyd, Ahmaud Arbery, Breonna Taylor and others."

Ms. Cavalcanti asked if Ms. Johnson was going to read the whole thing.

Mr. Tompeck said it is not necessary unless you would like the whole thing read.

Ms. Cavalcanti said no then that is fine, she thought that was the way we were doing it. She said she needs a second to the motion, the question has been asked.

Mayor Hudson said she made the motion to approve.

Ms. Cavalcanti asked for a second.

Mr. Matthews said he will second it for discussion.

Ms. Cavalcanti asked if there is further discussion, seeing none she asked for roll call.

Those voting yes were Mr. Fee, Mayor Hudson, and Ms. Cavalcanti. Mr. Matthews voted no, and the motion was approved.

Mr. Matthews said he seconded it for discussion to have an opportunity to discuss a couple of things for clearance.

Ms. Cavalcanti said she asked for any discussion and nobody said anything, it was silent.

Mr. Matthews said okay.

Ms. Cavalcanti said maybe he could make it in his Board comments, how is that.

Mr. Matthews said fair enough.

Mr. Tompeck said he has a couple of quick items. He said he wanted to highlight and congratulate the efforts of Curtis Johnson, who working with the Goodwill Presbyterian Church at 606 North 29th Street, presented FPUA a check for $3,500 which was used to help 11 customers near his church with utility bills. He also thanked Pastor Dr. Jennifer Stroud, Eilean Clark and Betty Robinson who were instrumental in obtaining the funding. This is a great example of local activism that really helped the community. Mr. Johnson has also expressed interest in WEOP and we will be working with him to identify customers that are qualified for the program.

Mr. Tompeck said that FPUA is now receiving solar power from the first two solar farms that are part of the Florida Municipal Solar Project. He said FPUA is among the first six cities to receive power from the project. There were no upfront costs for the participating utilities and FPUA will only pay for the power we purchase. The balance of the other three sites which in total will generate 375 MW will be completed by 2023.

Mr. Tompeck said the last item he has is that he is happy to report MOEC was notified yesterday the Manatee Center was awarded a grant for $22,111 from the State Division of Cultural Affairs. We've received this grant in the past, but this year's award is three times higher than we have received in the past. The additional money will be used to strengthen educational and volunteer programs. Congratulations to the MOEC staff, they did a great job.

Mr. Matthews said his question of the resolution was he thought there was a correction that was added in blue and the Mayor made a motion and he was hoping to ask the resolution be considered with that in the blue. He said he had no problem with it being approved and maybe that question should go back to Mr. Tompeck.

Mr. Tompeck said he thinks what Mr. Matthews saw was probably the mark-up and the blue line was incorporated into the finished product. He said it was in blue because it showed where the corrections were that is what you are talking about. That is what the resolution was modified to show what was in the blue.

Mr. Matthews said thank you. He said the second question he has is he received a couple of calls on Saturday, one just happened to be from a Commissioner and another one was from a citizen about the lights out. He asked for a brief update on the lights that were out on Saturday and what areas it covered.

Ms. Cavalcanti said she actually saw somebody on Facebook with that and she believes there was some notification by our cell phone and emails from FPUA. She asked Mr. Tompeck to discuss this.

Mr. Tompeck said he can take a crack at that and Mr. Jakubczak can also pull us in specifically on the areas. He said it was a pretty complicated outage and he will try to get the Board through it. About 7:20 p.m. there was an outage at the Hartman Substation which affected ESC and the Todd Center on 25th Street. At 7:48 p.m. the power was restored and a critical switch at the Todd Center rebooted and sent out a data unit package throughout the network, which disabled the administrative storage access network switch. Pretty complicated and he is sure Tom Fryar can make it a little bit clearer, but this caused some degrade or no performance on some of our most important programs such as Responder, Exchange, and Cogsdale. It required ITS to work on restarting the servers which eventually lead to a step by step system reboot which was a lot of work and was not completed until about 11:00 p.m. at night. Mr. Tompeck asked Paul to fill in the Board on the areas specifically affected by the outage. He said part of the problem we had

was once we lost Responder and some of the other programs, we could not map those on the outage map on FPUA.com. He thinks that caused problems with the folks trying to see if their outage had been identified and also caused problems with people trying to call in. Mr. Tompeck said it looks like Mr. Jakubczak's microphone is muted. There were some outages in St. Lucie Village, some in the middle of town by Texas Court, some down US 1, and a few other assorted outages. It really was a difficult evening and he knows it was frustrating for our customers because they could not get in touch with us because of some of the issues. We lost half of our telephone lines even for a short period of time. Mr. Tompeck asked if Tom could add anything to that to make it clearer as he falls into this asps.

Tom Fryar, ITS Manager, said as Mr. Tompeck has stated around 9:30 we had some phone issues that we are not sure if it occurred a couple of minutes prior to that or how long it actually lasted. He said we lost half of our lines and we had to work with AT&T to find the actual cause of that problem. One main application that Dispatch uses is the Responder Program and because it was off line and they were overwhelmed with all the calls coming in, which caused other issues. Our phone would normally work at full capacity was coming in and by the time he could test each section or have Dispatch to test to make sure they could get into the system, it took time for them to test it. We wrapped it up around 11:00, started it at 7:48 as soon as notified, and jumped right on and got it all up and running as quickly as we could.

Mr. Matthews asked if everything is back to normal now.

Mr. Tompeck said yes everything is back to normal.

Mr. Jakubczak apologized and said he had technical issues on his end. He said the main outage we had was out of Garden City Substation and it affected from the north bridge all the way to the County Line and St. Lucie Village and also a little bit west of US 1. In addition to that we had multiple of operations as the lightning storm moved through. As Mr. Tompeck mentioned as well, we lost one of our transformers out at the Totten Substation and that pretty much took care of the areas around IRSC and everything west of town up until about Jenkins Road. That was restored within 20 minutes and then we ran into the issue with the switches rebooting and unfortunately we were not able to answer the phones at that point and time to be able to start taking manually down the outage locations. Mr. Jakubczak said once we were able to get the main circuit restored around 9:00 for the circuit out at Garden City, we opened up the phone lines and started taking calls from customers. He said basically went old school and had a lot of posted notes and a lot of written pieces of paper trying to decipher where was the best place to send our crews. We had outages on Avenue K, Avenue J, Delaware, and 22nd Street. There was a pocket outage on Gardenia so we were pretty much all over the place running outages. He commended the crews for all we did especially being a holiday weekend and a holiday itself. Everybody did a great job working together and once we got the system back up and going, we were able to figure out where we were having problems. Unfortunately, we were unable to help all the customers and answer all the calls, but we did the best we could with the resources that we had.

Mayor Hudson said she just got word that the Governor has extended the Emergency Order until September 5th, 60 days.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

VICE CHAIRMAN